Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

May 14, 2009

Dear Commissioners:

Enclosed please find relevant information to the **Thursday, May 21, 2009** Commission meeting. Minutes of the March 12th meeting are included for your review.

The meeting will be held in the Vern Riffe Center, 31st floor, **South B&C** beginning at 10:00 a.m. If you haven't already done so, please contact Wende Jourdan to confirm your attendance. You may reach her at 614/728-9497 (telephone) or by e-mail at wende.jourdan@dot.state.oh.us.

We look forward to seeing you.

Sincerely,

Thomas B. McOwen
Acting Chair

enclosures

THE OHIO RAIL DEVELOPMENT COMMISSION

MEETING AGENDA

Thursday, May 21, 2009, 10:00 a.m.

Vern Riffe Center for Government & the Arts

77 South High Street, 31st floor, South B&C, Columbus, Ohio

CALL TO ORDER: Tom McOwen, Vice-Chair

- Welcome
- Roll Call
- Approval of Minutes from March Meeting

EXECUTIVE DIRECTOR REPORT: Matt Dietrich

- 3-C Initiative Update

FINANCE REPORT: Megan McClory

PROJECTS FOR APPROVAL

- Resolution 09-13: Federal Stimulus Award Administration
- Resolution 09-14: City of Jackson Loan Modification
- Resolution 09-15: Columbus & Ohio River Railroad Additional Funding

PANHANDLE LONG TERM LEASE COMMITTEE REPORT
Commissioner Tom McOwen, Committee Chairman

REPORTS OF STANDING COMMITTEES: Committee Chairs

OLD BUSINESS

NEW BUSINESS

PUBLIC COMMENT

ADJOURN

TO: ORDC Commissioners
FROM: Matthew Dietrich
SUBJECT: May 2009 Executive Director's Report

This document reflects the accomplishments and highlights of the Ohio Rail Development Commission since the March Commission Meeting.

ORDC Budget: As you are aware, the Fiscal Year 2010-2011 Transportation Budget HB – 2 passed the General Assembly and was signed by Governor Strickland. The highlights of that budget affecting ORDC include:

- Additional member of the Ohio Rail Development Commission representing manufacturers.
- Additional clarification on the approval process for capital and operating costs as related to passenger rail development.
- Additional guidance on routes for consideration in future passenger rail studies.
- Appropriation levels for both ORDC's Safety funds at $15 million annually and Loan funds at $2,111,500 annually were also approved as submitted.

Currently the Main Operating Budget (HB-1) is being considered by the Senate. A copy of the testimony is attached. This budget contains the General Revenue Funds (GRF) used for ORDC's Grant program as well as a large share of our operating funds. The current appropriated level is $3,271,771 million for FY 2010 and $3,291,162 million for FY 2011. (Approximately $2.26 million in grants each year.) There is a great deal of concern that the below estimate projections forecast for FY 2009 will require a reduction from the budget levels passed by the House of Representatives.

Federal Stimulus Funds for Rail: ORDC currently has two roles related to federal stimulus funding. The first role is to administer the rail-related projects selected by Ohio and funded with eligible Federal Highway Administration (FHWA) funds allocated by state. We are working closely with the ODOT Tiger Team to ensure that all contracting, reporting, and inspections are done in accordance with federal stimulus guidelines. The second role relates to the Passenger rail funding that will be available beginning this summer on a competitive basis nationally.

FHWA Funds: There is a resolution on the agenda today to authorize ORDC to administer the rehabilitation projects. ORDC will utilize a special grant agreement that incorporates all of the requirements of the federal stimulus funding. The Safety projects are utilizing existing master railroad agreements with modified letter agreements (or addendums) that incorporate the requirements of the stimulus funds. Additionally, ODOT is funding the PEIS on four (4) of the Ohio Hub High Speed Corridors in the state.

FRA Passenger Funds: As sent previously, US DOT issued its Vision for High Speed Rail in America. The interim guidance is scheduled for release no later than June 18th. ORDC is actively working with ODOT on not only tracking the process but also ensuring that our current 3-C Startup work is compatible with the timelines and milestones for the work.

Ohio Bipartisan Job Stimulus Plan: At the time of this report, the State of Ohio has approved eight projects totaling approximately $44 million of the $50 million appropriated for FY 2009. These projects really represent the diverse nature of logistics and distribution and represent all modes of transportation needed to support that sector of the economy. A listing is below:

Columbiana County Port Authority	$4,500,000
City of Franklin	$1,635,000.00
Alum Creek	$7,000,000.00
LCIC (Midwest Terminals)	$7,500,000.00
Cleveland Port	$4,702,500.00
79th Street Associates (Shoreway)	$9,719,207.00
Bluegrass Farms	$7,500,000.00
Wheeling and Lake Erie Railway	$1,306,500.00
	$43,863,207.00

Amtrak 3-C Service: It continues to be a busy time for ORDC staff as well as many ORDC commissioners who have been enlisted for their assistance with several meetings. In working with our state partners in this effort, this project has really transformed into a team effort. The Departments of Development and Transportation, as well as the Governor's Office, all have a role in this project. I am happy to report that ODOT has assigned Leonard Evans as a project manager for this project. Additionally,

- Routing: As previously submitted via e-mail, after a review of Amtrak's preliminary field reviews, we are advancing a Cleveland-Berea-Columbus routing for further consideration in the conventional speed startup service. Additionally, we are looking to an I&O Oasis line routing for the Cincinnati region. (Attached are copies of articles regarding the service as well as a letter from ORDC to Amtrak.)
- Modeling: The modeling contract is well underway with Woodside Consultants. Both CSX and NS have provided network information and Woodside is working to build the rail network.
- Stations: Don and Lou continue their work on station locations with local communities and are now discussing their preliminary investigations with Amtrak
- Outreach: As more information develops, ORDC has made a concerted effort to get information out to the communities and stakeholders involved. Additionally, we have spent a great deal of time informing the General Assembly of the progress of our work. To continue this work, Megan and Stu are working with ODOT to establish a 3-C Startup Website and listserv that can be used to provide information as it becomes available.
- FRA Grant Agreement: Staff had its kick-off meeting with PB Americas to begin the FRA grant work that was approved by Resolution 09-12 at the March meeting.
- Expert Contract: After some delay, ORDC has selected RL Banks to be our "on-call" rail expert for the 3-C Startup service. Due to budget reductions, we are working with ODOT to identify eligible non-GRF funding sources for this work.

State Rail Plan: As was discussed at the retreat, the State Rail Plan proposals were advertised by ODOT as part of their programmatic consultant selection. Leonard Evans from ODOT will provide an update for the Commissioners.

Ohio Rail Development Commission

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May 7, 2009

Chairman Carey, Ranking Member Miller, ORDC Commissioner Wilson, and Members of the Senate Finance and Financial Institutions Committee:

Thank you for the opportunity to testify today on behalf of the Ohio Rail Development Commission (ORDC). My name is Matthew Dietrich and I am the Executive Director of the Commission.

The ORDC's varied but complementary activities benefit Ohioans by connecting Ohio to the nation and the world by building a rail transportation network that improves the movement of goods and people faster and safer. Our programs can be broadly classified into three (3) areas.

- Our safety upgrades at Ohio's 6,100 at-grade highway-railroad crossings provide the public with better warning of oncoming trains.
- Our passenger rail efforts are focused on developing an important new transportation choice for Ohioans, one that is estimated to create 16,000 permanent jobs, tens of thousands of construction jobs, an increase in the region's income of over $1 billion, and the creation of a potential benefit to freight rail operations in the range of $3-6 billion when fully constructed.
- Our grant and loan programs help Ohio's 36 railroads, hundreds of communities, and thousands of businesses invest in rail infrastructure by rehabilitating existing tracks or making new connections to rail possible.

ORDC's budget is split across the Transportation Budget Bill (Am. Sub. HB 2) and the Main Budget Bill (Am. Sub. HB 1). While my testimony today is focused on the General Revenue Fund appropriations in HB 1, it is important to provide a full picture of the ORDC's roles and responsibilities.

Before I get into the details of the Commission and its work, I would like to tell you a bit about the importance of the rail industry to Ohio.

Ohio's Rail Industry

The freight rail industry is important to Ohio's economy on its own. Ohio's 36 freight railroads operate over 5,275 miles of track, and employ almost 8,000 Ohioans with payroll of nearly $500 million per year. If Ohio's rail industry were a single employer, it would rank 41st in the state in the number of employees.

The freight rail industry's impact on Ohio goes far beyond its employment ranks, however. The rail industry is an economic enabler for Ohio and plays a key role in connecting businesses to markets. Ohio ranks fifth in the nation in the number of rail carloads originated and sixth in the

number of rail carloads terminated in the state. That does not include the approximately 4.3 million rail carloads passing through Ohio that would put additional strain on the state's highways but for the rail infrastructure. For communities that lack good highway access, rail lines are THE high-capacity transportation option. And for communities large and small with good highway access, rail plays an important role in long-haul shipping.

Rail is truly going through a renaissance. Not only are shippers rediscovering this cheaper, environmentally friendly, and more efficient way to move goods, but individuals are rediscovering rail, too. The last federal fiscal year marked the sixth straight year of record ridership for Amtrak nationally. Even with limited Ohio service and less-than-ideal schedules, there were more than 120,000 boardings and alightings at Ohio stations in 2008, a 10% increase from the previous year. Toledo's Martin Luther King, Jr. Plaza is Ohio's busiest Amtrak station, serving over 50,000 passengers last year. With the support of the General Assembly, we hope to add a great deal to that story.

ORDC Activities and the 2010-2011 Budget

The ORDC was formed by the legislature in 1994 to bring together all of the state's non-regulatory rail activities. It combined the grade crossing safety program, the Ohio Department of Transportation (ODOT) Division of Rail, and the Ohio High Speed Rail Authority into a one-stop shop for railroads, communities, and businesses with rail-related concerns.

As of July 1, 2009, the Commission will consist of eleven voting members plus two non-voting members each from the House of Representatives and the Ohio Senate. As I alluded to earlier, Senator Wilson is one of our legislative members. He is joined by Senator Buehrer, Representative Hagan, and Representative Boose. Of the voting members, the Governor appoints seven, who are the Chairperson, plus individuals representing a freight rail company, passenger rail service, infrastructure financing expertise, organized labor, manufacturers, and the general public. The Speaker of the House of Representatives and the President of the Senate each appoint one member of the general public as voting members, and the Directors of ODOT and the Ohio Department of Development (ODOD) are ex-officio voting members. We have a staff of sixteen full-time employees, and while our numbers are small, our mission is not.

Partnerships

One of the key reasons for the Commission structure is flexibility. ORDC is most effective when working in partnership with other state agencies, communities, railroads, and private companies. While our budget dollars are limited, our legal flexibility and our willingness to take on challenges has enabled us to facilitate projects across our programs.

Grade Crossing Safety

The Railroad-Highway Grade Crossing Safety Programs improve public safety by reducing crashes, and therefore injuries and deaths, at railroad-highway grade crossings. To improve public safety, ORDC partners with the Public Utilities Commission, the Federal Highway Administration, the Federal Railroad Administration (FRA), the Class I and shortline railroads operating in Ohio, and local communities. The Transportation Bill as enacted includes $15 million per year for the Grade Crossing Safety Program, which is consistent with prior years' funding levels.

With this level of funding, ORDC last year completed 53 projects to install or upgrade active grade crossing equipment, eight projects to improve roadway geometry, and four projects to eliminate crossings. In the coming biennium, ORDC will maintain project activities and continue to execute a number of specific federal investments.

- With funds from the FRA, Norfolk Southern, and ORDC, we are conducting four circuitry upgrade projects along the high-speed Cleveland to Chicago corridor.
- ORDC is applying three separate Congressional set-asides to projects in Vermilion, in the communities of Berea, North Ridgeville, and Elyria, and in Tiffin.
- We are currently completing a corridor project in Springfield, in which the City, Norfolk Southern, and ORDC partnered to eliminate five crossings and install 12 circuitry upgrades, four 4-quadrant gate installations, and two standard light and gate installations.
- Other corridor projects are underway in London, Miamisburg, Bedford, North Baltimore, Medina, Perrysburg, Middletown, and rural Wood and Medina counties.

Attached to my testimony is a map of projects funded by ORDC in the current biennium.

We are also working on two major statewide initiatives. The first is a project in partnership with ODOT's Office of Traffic Engineering to develop standards for the operation of traffic signals in locations where the railroad warning device and the traffic signal need to communicate in order to enable motorists to clear a railroad crossing when a train approaches. This project will identify locations in which such inter-connected situations exist and make recommendations to resolve any problems, which could require upgrades to the railroad warning device and/or the traffic signal. The second is a forthcoming requirement for all passive crossings (those without flashing lights or roadway gates) to have either a Stop or a Yield sign. This will require additional signage at 2,318 railroad crossings in the state. Ohio and other states will have 10 years to comply with this new mandate.

Passenger Rail Development

Since the last intercity passenger train operated on the Cleveland-Columbus-Cincinnati (3-C) Corridor in 1971, Ohio has spent nearly 35 years working to bring back passenger rail. As early as 1974, the Ohio legislature appointed a committee to study rapid rail transit in the corridor, and in 1975 the Ohio Rail Transportation Authority was formed to study high speed intercity passenger rail.

In 1994 the ORDC was created and tasked with developing, promoting, and supporting safe, adequate, and efficient rail service throughout the state. The legislature tasked the commission with developing a plan for the construction and operation of a passenger transportation system and directed the commission start with an initial route connecting Cleveland, Columbus, and Cincinnati. To make sure that the plan was well considered, the legislature also required that the commission not use public funds to operate rail service unless approved by the General Assembly, and that in order to acquire rail property, facilities, or equipment, such purchases would need to receive the affirmative vote of a supermajority of Controlling Board members.

After numerous studies, the ORDC completed the Ohio Hub Plan in 2007. When constructed, the Ohio Hub will be a 1,270-mile system that will serve over 22 million people in four states and southern Ontario. The 110-mile per hour service will connect Ohio's major cities to each other and to other high-speed rail systems under development in the region. Our studies of the

Ohio Hub show that upon full build-out of the system, 16,700 jobs will be created and $9 billion in user benefits and resource savings will be created over 30 years. The Ohio Hub provides a vision for what passenger rail in Ohio can be.

Following the framework established in other states, ORDC is working toward conventional speed service (up to a maximum of 79 mph) in the 3-C Corridor as a first step toward the larger and faster system. We are working with Amtrak to update previous estimates regarding the requirements for start-up service between Cleveland, Columbus, Dayton, and Cincinnati, including the ridership and revenue that such a service would generate and the operating cost required. The results of Amtrak's work are expected late this summer, and at that time, ORDC will negotiate with the freight railroads the improvements needed to start service.

Amended Substitute House Bill 2 further defined the General Assembly's expectations for the development of this service, by authorizing the ORDC or the Department of Transportation to apply for federal passenger rail funds. The bill also added a requirement that subjects capital improvement expenditures for passenger rail development to the approval of a supermajority of Controlling Board members plus a majority of the members appointed to the Controlling Board by the President of the Senate and Speaker of the House.

Also pursuant to House Bill 2, ORDC will seek to improve existing passenger rail service between Toledo and Cleveland and examining the feasibility of a passenger rail service between Toledo and Columbus.

Even with the General Assembly's approval of the language in Am. Sub. H.B. 2, we still have many "spikes to drive" before the first train leaves the station. As enthusiastic as we are about this proposal, we recognize that it needs to be well-planned and well executed in order to be successful. We look forward to working with our partners in the General Assembly in this process.

In all of our passenger planning, both conventional and high-speed, ORDC has made a commitment to Ohio's railroads to, metaphorically speaking, ensure that all boats rise. In addition to our work with ODOT, ODOD, Governor Strickland's Office, and other state agencies, ORDC is also partnering with CSX, Norfolk Southern, and Amtrak to develop safe, reliable passenger rail service. ORDC has been and continues to work with Norfolk Southern and CSX on Ohio's passenger rail initiatives to ensure service that is mutually beneficial.

Grant and Loan Program

The Commission's Grant and Loan Program is a direct investment in preserving jobs now and creating opportunities for the future. ORDC provides funds to rehabilitate existing rail infrastructure or make new connections to rail possible, and can partner with virtually any entity including freight railroads, individual businesses, local communities, port authorities, and other development organizations. ORDC's loan fund and debt reserve appropriations were approved in the Transportation Bill, and our grant program is funded in the Main Bill now before this committee. Considered together they are a vital contribution to Ohio's economic health.

In prior years, we have been successful in funding projects that are economic development initiatives – grants and loans to railroads, businesses, and communities to initiate rail service.

For the economic development projects approved in fiscal year 2008, expected results are the creation about 730 jobs, the retention of about 390 existing jobs, the generation of 12,000 rail carloads per year, and the investment of $234.7 million in Ohio. That's $288 in private investment for every dollar of ORDC grant funds.

ORDC provided $255,000 in grant funds to assist Case Farms, a well-established chicken processing plant in Winesburg (Holmes County) with an expansion project. Case Farms considered its Ohio facility and its North Carolina plants, and ultimately chose Ohio, even though it needed to establish a rail-served feed mill in Ohio. ORDC's investment is an incentive for Case Farms to invest $13 million in its Winesburg expansion, plus $14 million for the new feed mill in Massillon. The project is expected to result in 20 new jobs at the Massillon feed mill and 200 new jobs at the Winesburg processing plant. The project also opened up about 350 acres of prime industrial park land in Massillon for rail-related development.

ORDC provided $90,000 in grant funds and a $145,000 loan to the Lancaster Port Authority to assist with a rail spur to a new, $35 million US Corrugated plant. The company considered sites in Ohio and Pennsylvania and ultimately selected Ohio. The project is expected to result in 110 new jobs and 200 to 500 carloads of rail traffic per year.

With the downturn in the economy, ORDC is finding that companies are choosing to delay major investments. However, we are seeing increased demand for projects that assist with the rehabilitation of existing rail infrastructure in order to preserve critical transportation connections for existing Ohio companies.

Our rehabilitation investments are targeted toward lines that are of significant value to communities and shippers, but may not generate enough income for the operating railroad to make significant capital investments. By helping railroads rehabilitate these lines, with decisions backed by data on maintenance history, rail traffic, and profit and loss statements, ORDC is helping preserve an important means of transportation for businesses along the lines and positioning them to be ready for additional train traffic once the economy rebounds.

ORDC approved a $210,000 grant to the City of Greenfield to rehabilitate two bridges and several locations where there are "slow orders" due to poor tie conditions on a line owned by the city. The state helped the city and the Greenfield Shippers Association purchase the 29-mile long branch line in 1988 to prevent it from being torn up. At the time, a small company called Candle-lite had a few dozen employees in a small facility next to the line. While it did not use rail, it indicated that it was looking to expand and could not do so without the efficiencies of rail transportation. Today, Candle-lite employs about 500 people in its Leesburg plant, and Johnson Controls and Huhtamaki employ a combined 540 employees at their rail-dependent facilities. The City of Greenfield will also invest $50,000 in the rehabilitation project.

Attached to my testimony is a second map, identifying the locations of projects the ORDC has funded from 2007-2009 that improve freight rail transportation.

Outside of what you see in the budget, ORDC assists railroads, businesses, and communities in other ways. In our version of Public-Private Partnerships, private sector partners bring opportunities to ORDC and we assess the public benefit and need and then react accordingly. Some of these activities include:

- ORDC provides property management services for 241 miles of state-owned rail lines, including the 160-mile Panhandle Line that stretches from Columbus eastward to Mingo Junction, on the Ohio River.
- ORDC is the public agency recipient of an earmark for a rail-related industrial building rehabilitation project in Portsmouth.
- The Commission is the public sponsor of Ohio railroads' applications to the state's Diesel Emission Reductions Program, in which five railroad projects received $4.9 million of the $8.9 million awarded in the first round of funding.
- The Commission is sponsoring applications for federal funding to the Ohio-Kentucky-Indiana Council of Governments and the Mid-Ohio Regional Planning Commission for rail corridor improvements that will reduce trucks on Ohio's highways.
- The Commission is administering a Congressional allocation through the Appalachian Regional Commission to build a rail connection for a southeastern Ohio coal mine.
- ORDC is working with a group of community leaders and businesses in the Hebron area, near Newark, on a project to repair a grade crossing on State Route 79 that is adjacent to an industrial park. ORDC is helping identify the scope of the repairs and the cost, and will assist the project through its completion.

Conclusion

At ORDC, we work with other entities when possible and look across our own programs to be creative in developing projects that benefit Ohioans.

> *ORDC approved the use of federal highway safety funds to make improvements in conjunction with an important economic development project, CSX's development of its North Baltimore Intermodal Terminal. ORDC's commitment of funds helped to make this project a reality for Northwest Ohio. Our investments will install warning devices at crossings and upgrade features of the track to help trains move in and out of the yard more quickly thereby reducing the time that adjacent grade crossings are blocked and improving safety for the travelling public.*
>
> *ORDC awarded state funds to assist with safety improvements at a series of crossings between Akron and Medina where the Wheeling & Lake Erie Railroad is increasing train speeds to better serve its customers. These investments will improve crossing surfaces, upgrade warning lights with larger LED lights, and install gate keepers so that the gate arms are less likely to break due to wind or vehicle damage. While these investments are not required in order for the train speeds to be increased, they will provide the motoring public with a higher degree of safety.*

ORDC plays a unique role for Ohio by serving as a one-stop source of assistance for passenger rail planning, grade crossing safety improvements, and rail development grants and loans for railroads, businesses, and communities. We appreciate the legislature's support of our safety and passenger programs in the Transportation Budget Bill. The appropriations before you today fund

our operations and our grant program for the next two years. We support the ORDC funding levels recommended by Governor Strickland and continued in Amended Substitute House Bill 1 as passed by the House of Representatives, and ask for your support as well.

Thank you, again, Mr. Chairman for this opportunity. I would be happy to answer any questions.

Guide to ORDC Appropriations

Program	Transportation Budget Bill (Am. Sub. HB 2)	Main Budget Bill (Am. Sub. HB 1)
Passenger Rail Development	--	GRF 776465 Ohio Rail Development Commission
Rail-Highway Grade Crossing Safety	7002 776465 Grade Crossings-Federal	--
Grant and Loan Program	4N40 776664 Rail Transportation-Other 4N40 776663 Panhandle Lease Payments	GRF 776465 Ohio Rail Development Commission GRF 776668 Transportation Operating-Federal Stimulus

Ohio Rail Development Commission

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April 21, 2009

Michael W. Franke
Assistant Vice President,
State & Commuter Partnerships (Central)
National Railroad Passenger Corporation
525 West Van Buren Street, 2nd Floor
Chicago, IL 60607

Dear Mike:

Thank you for your time and guidance at our meeting in Toledo on April 11, 2009. Based on your research and recommendations on the potential routes for Amtrak Service, the ORDC concurs with Amtrak's recommendation to: 1) Advance the Berea route between Cleveland and Columbus, and 2) Advance the Oasis line routing in Cincinnati.

To review, ORDC provided three (3) alternative routes between Cleveland and Columbus and two (2) alternative routes in Cincinnati for consideration of its initial conventional speed (maximum 79 mph) passenger rail service. Those route alternatives include the following:

- Cleveland – Akron – Columbus (Akron Option)
- Cleveland – Berea – Columbus (Berea Option)
- Cleveland – Elyria – Columbus (Elyria Option)
- Cincinnati Line Terminus at Cincinnati Union Terminal (CUT Option)
- Cincinnati Line Terminus utilizing the Indiana and Ohio operated Oasis line which terminates at the Boathouse Restaurant along the waterfront (Oasis Option)

After field review, it is Amtrak's recommendation that Ohio pursue the Cleveland – Berea – Columbus route for conventional speed service on the initial route based on the following information:

- The Akron Option is at minimum 47 miles longer than the direct route adding over an hour of travel time in the corridor service; would require rebuilding of seven (7) miles of abandoned, rail-banked track between Hudson and Akron; and would utilize a convoluted route involving four (4) different rail segments with different railroad ownership.
- The Elyria Option would require rail track connections at Elyria and Grafton that would require significant acquisition of commercial and industrial property.

Given the information provided by Amtrak, ORDC concurs with Amtrak's recommendation to pursue the Berea Option for study. For the Cincinnati area, after field review, it is Amtrak's recommendation that Ohio pursue the Oasis Option based on the following information:

- Despite the fact that the CUT is the most impressive rail station complex still standing in Ohio and Amtrak currently uses a portion of the facility as its Cardinal train station, the rail route through the Mill Creek Valley to CUT is one of the biggest rail bottlenecks in the country.
- NS & CSX have both stated that getting trains into CUT will be difficult and require extensive capital improvements.
- Amtrak believes that on-time performance of 3-C trains would be seriously compromised by freight volumes and interaction in the Mill Creek area.
- While the Oasis solution has challenges in terms of station location and parking availability, Amtrak does not see any other cost effective way to serve Cincinnati for 3-C conventional speed service.

Given the information provided by Amtrak, ORDC concurs with Amtrak's recommendation to pursue the Oasis Option for study.

Please allow me to emphasize that these routing decisions are limited to the conventional speed 3-C service. Governor Strickland's Administration has made it clear to the Ohio Rail Development Commission that it is committed to resolving routing issues through long-term planning efforts currently under way, such as the Federal Railroad Administration Grant to rectify short-term and long-term station needs as well as the High Speed Passenger Rail Planning work being forwarded with American Recovery and Reinvestment Act (ARRA) funds. This is also consistent with the ORDC's efforts to develop the Ohio Hub Passenger Rail Plan. ORDC will continue to work with the communities affected by these routing decisions to ensure that Ohio's Passenger Rail Planning is an inclusive process with ample public input.

Again, I want to thank you for your work on behalf of the Ohio Rail Development Commission. The continued success of this partnership is critical to Ohio's passenger rail development efforts.

Sincerely,

Matthew R. Dietrich
Executive Director

Public Information Report to Commissioners

May 21, 2009

It would be an understatement to say the ORDC has received a lot of attention the past couple of months from both the public and media. To begin with the period since the last Commission meeting has been marked by several major events:

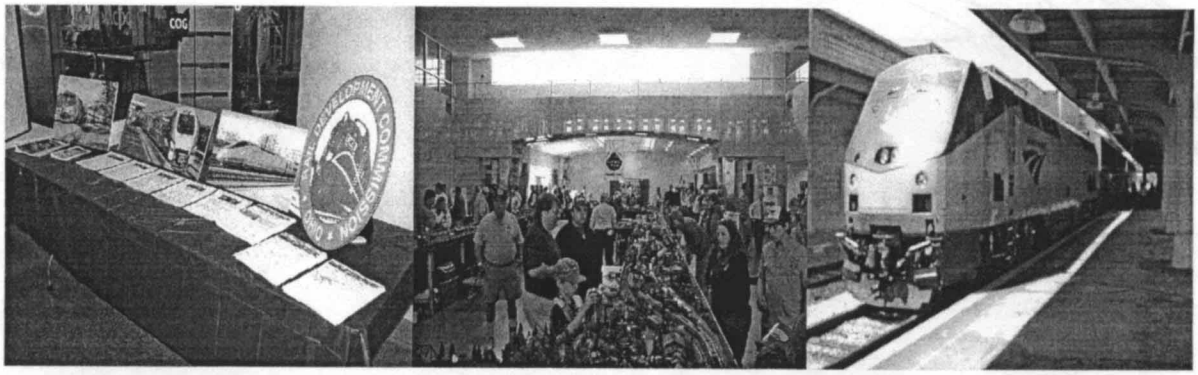
- Completion and approval of the ODOT budget, which contained Governor Strickland's request for $250-million for the proposed 3-C Corridor Amtrak "start-up" plan and an additional $7-million to begin the critical environmental review of 4 of our planned high-speed rail corridors
- An Associated Press story about the selection a preferred 3-C Corridor route for further study by both Amtrak and Woodside Consultants
- And last, but not least, huge news from Washington DC as President Obama announced an $8-Billion dollar infusion of federal stimulus (ARRA) funds for the development of high-speed passenger rail and state-sponsored corridor train service.

For the most part, the media coverage has been very positive throughout and has focused strongly on the growing public demand for intercity passenger trains and expanded Amtrak service in Ohio. The stories have gotten almost saturation coverage from major-market Ohio media all the way down to suburban and small town news outlets. Frankly, in all the time I have spent in Ohio both in and out of journalism, I cannot remember passenger rail, and rail in general, getting the degree of coverage I've seen in the last several months.

Some other recent activities:

- Developed a series of one-page handouts for use with our overall passenger rail efforts, particularly with the 3-C start-up (see the attached)

- Participated in ***National Train Day*** event at Toledo Union Station (May 2nd): set up display table for ORDC on our passenger rail initiatives. Over 3,000 attendees for the day-long event.



- Also participated in the ***Columbus Chamber of Commerce Government Day*** on two panels regarding "What Young Professionals Want": a diverse transportation system is key to attracting and retaining young professionals and intercity passenger rail and rail-based local transit are high on the list.

- Creating an e-mail group for stakeholders along the 3-C Corridor to distribute news and project updates.

- Working with Megan McClory and ODOT's Andy Eline on redesigning the ORDC web page on passenger rail to reflect both our conventional and high-speed passenger rail initiatives

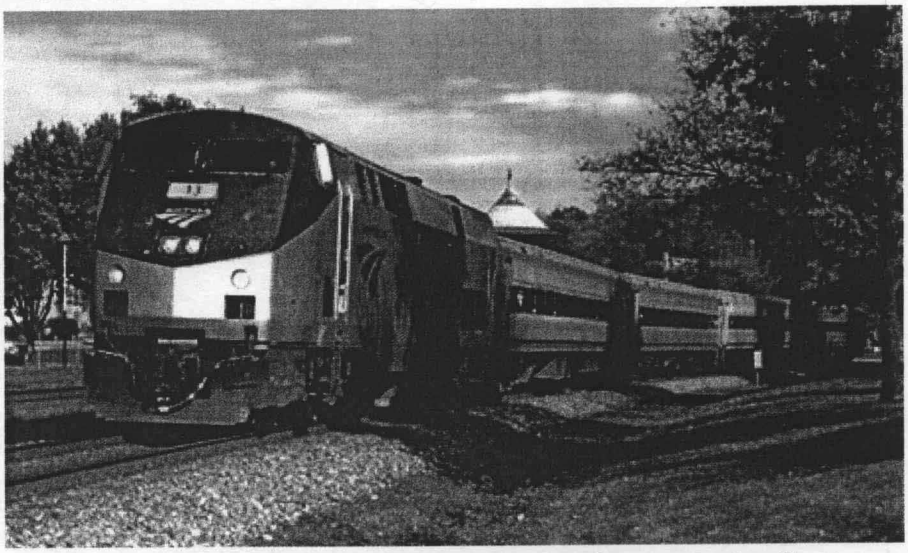
- Provided information and interviews to numerous news organizations around the state, including the Associated Press.

- Ohio's passenger rail efforts will also be featured in an upcoming issue of the National AARP newsletter. Reporter Sarah Hollander (ex of the Cleveland Plain Dealer) went to numerous sources, including ORDC for background and comments.

- Working with ODOT communications staff on a new edition for the Ohio Rail Map. This may have to be an on-line-only version as current state budget situation may make a printed map less cost-effective, though demand for the maps is very high.

METRO Breaking News & More from THE PLAIN DEALER

Posted by Karen Farkas/Plain Dealer Reporter May 05, 2009 04:00AM



AmtrakThis Amtrak train is similar to what would carry passengers along a proposed corridor linking Cleveland, Columbus, Dayton and Cincinnati. Service would begin in 2010 if the state receives federal stimulus money.

The proposed passenger train route from Cleveland to Cincinnati may include a stop at an RTA rapid station near Cleveland Hopkins

International Airport and one in Grafton in Lorain County, according to a report released by Amtrak.

The route recommended by Amtrak is part of its ongoing study of providing rail service along existing freight tracks across the state.

The Ohio Rail Development Commission, an independent agency within the Ohio Department of Transportation, has been in talks with city officials about potential routes for about a year to determine stops, said Matthew Dietrich, commission executive director.

There were about 15 different route options for the $250 million 3-C Corridor project, which is seeking federal stimulus money and has the support of Gov. Ted Strickland and federal officials.

Key to any train service is access to other transportation when passengers disembark at a station, said rail commission spokesman Stu Nicholson.

Nicholson said his group has been talking with Greater Cleveland Regional Transit Authority for a joint station at West 150th Street and Puritas Avenue. Passengers could take the Red Line rapid to the airport or to Tower City, where they could connect to other rapid or bus lines.

Amtrak expects to complete its $45,000 study, which will include ridership, revenue and operating costs, including state subsidies, by the end of August.

The corporation chose a direct route between Cleveland and Columbus and opted not to go west to Elyria or east to Akron. It will stop near Cleveland's airport and in Springfield and Dayton, said Nicholson. Stops north of Columbus may include Shelby, Galion and Delaware, Ohio. It may also stop in Hamilton, north of Cincinnati.

Amtrak's current Cleveland station near Cleveland Browns Stadium would be expanded, and stations would be needed in Columbus, Dayton and Springfield, Nicholson said. Amtrak would bypass Union Terminal in Cincinnati because of congestion and go to a new station on the city's riverfront, he said.

Passengers could connect to other Amtrak routes through Cleveland and Cincinnati. Columbus has not had passenger rail service for 30 years.

Because they are using CSX and Norfolk Southern tracks, passenger trains cannot impede freight trains, according to Dietrich. The state is paying $450,000 to Woodside Consulting Group in Palo Alto, Calif., to look at existing freight traffic schedules in the corridor and how three or four passenger trains could be added to the tracks, he said.

"As we identify routes, Woodside will see how this all fits together," he said. "They will start overlaying the schedules and the stops and identify the choke points."

Amtrak said the tracks are in good condition for a train speed of 79 mph, but it might take up to six hours to travel the 250-mile route because of stops. Driving Interstate 71 between Cleveland and Cincinnati takes about 4½ hours.

Tags: Amtrak, Cleveland Hopkins International Airport, Metro news, RTA, trains
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COMMENTS (34)Post a comment

Posted by **grouser** on 05/05/09 at 5:16AM

Even as much as I love trains, I can't escape the the thought that unless the cost of driving goes way up, this really doesn't look like an attractive alternative for most people.

Inappropriate? Alert us.
Post a comment

Posted by **bereatom** on 05/05/09 at 6:06AM

what will hurt, is the fact that once you get to cincinnati, columbus or cleveland, you will inevitably need to rent a car to get around. Our public transportation is just not as prolific as it needs to be for people to use rail as a popular choice. Sadly, this will just be a project that 10 years down the road we will regret...

Inappropriate? Alert us.
Post a comment

Posted by **sliderfreak** on 05/05/09 at 6:08AM

Welcome to the new economy, comrades. In this new economy, it matters not that rail transportation costs more and takes more time than traveling by auto. If it feels good, that alone justifies taking other people's money to make it happen. How about some (formerly thought of as inefficient) wind turbines on the lake to go along with your train, Buckeye Bolsheviks?

Meanwhile, does anyone remember when private companies competed on something called the "free market" to sell needed goods and services? Thank goodness that quaint old system has been abandonded. Now we can look forward to buying a car from Government Motors and lining up with our food stamps to buy government subsidized groceries. It's all much better this way.

Inappropriate? Alert us.
Post a comment

Columbus Dispatch, The (OH)

Rail planners looking at cheapest route

By James Nash
THE COLUMBUS DISPATCH

Published: May 5, 2009
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Section: News
Page: 01B

Ohio rail planners are valuing speed and simplicity over scale in envisioning a medium-speed passenger-train system connecting the state's major cities. Rail planners have scratched possible connections to Akron and Elyria in northeastern Ohio and have decided that the route would end at a new train station in Cincinnati rather than that city's venerable Union Terminal.

Records released yesterday by the Ohio Rail Development Commission show that train planners are leaning toward the simplest and fastest route connecting Cleveland, Columbus, Dayton and Cincinnati.

Trains would reach speeds as high as 79 mph along the 245-mile route. Factoring in slowdowns and stops, officials said the entire trip would take about six hours.

Amtrak is researching the costs and feasibility of restarting passenger train service across Ohio; it was discontinued in 1971. State officials have estimated that launching the service would cost $250 million and require a $10 million annual subsidy.

Amtrak's study is expected in late summer.

As part of that study, Amtrak looked at 33 route options along existing freight lines, said Matthew R. Dietrich, executive director of the rail commission. Officials favored the route that was shortest, minimized the possibility of congestion and had the fewest "hand-offs" among rail lines.

"We needed to make some decisions moving forward," Dietrich said.

The Rail Development Commission eliminated potential spurs to Elyria and Akron because of the cost of acquiring land and rebuilding rail lines, and because both would have added distance to the route, Dietrich wrote.

The commission also decided against running trains to Cincinnati's Union Terminal -- Dietrich called it "the most impressive rail complex still standing in Ohio" -- because of the possibility of congestion. Instead, the Cincinnati station would be next to the Ohio River just east of downtown.

Officials have not identified a site for the Columbus train station, although they have said it would be Downtown or in the Arena District.

jnash@dispatch.com

Illustration: Graphic with Map

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New Ohio rail line would bypass historic station

Amtrak advises bypassing Cincinnati's Union Station, a 76-year-old landmark, on new rail line

By MATT LEINGANG
Associated Press Writer

¶ ***COLUMBUS, Ohio (AP)*** _ Amtrak recommends restoring passenger rail service among Ohio's major cities by bypassing the grandest train station left in the state.

¶ Getting new passenger trains into Cincinnati's Union Terminal, a 76-year-old landmark known for its bold Art Deco style and enormous rotunda, would require extensive capital improvements and add to freight congestion already in the area, according to Amtrak's preliminary study, which recommends building a new train station on the city's riverfront instead.

¶ Amtrak's route recommendation, obtained by The Associated Press through a public records request, is part of a study on what it would take to run 79-mph trains along existing freight tracks connecting Cleveland, Columbus, Dayton and Cincinnati _ a project that Gov. Ted Strickland wants funded with federal stimulus money.

¶ President Barack Obama's $787 billion economic recovery package, signed in February, sets aside $8 billion for passenger rail projects in the U.S., something Obama sees as a down payment for a future high-speed network. The first round of funding is expected to be announced this summer.

¶ Strickland has estimated Ohio would need $250 million in stimulus money to begin new Amtrak operations by the end of 2010, with the state picking up an annual $10 million operating cost.

¶ Despite being one of the most treasured buildings in Cincinnati, Union Terminal, which handled 17,000 passengers and 216 trains a day in the 1930s, isn't a good option for a new passenger line, Amtrak told state transportation officials.

¶ A new train station near the Montgomery Inn restaurant along the Ohio River is the only cost-effective way to serve Cincinnati, Amtrak said. The Indiana & Ohio Railway has a lightly used track at the riverfront, although the site has parking limitations that would need to be resolved.

¶ Matt Dietrich, executive director of the Ohio Rail Development Commission, a state agency that hired Amtrak to conduct the study, said he agrees with the findings.

¶ It's possible that Union Terminal, which was converted into a museum center in the 1990s, could be included in long-term plans for higher-speed 110-mph trains, he said. But even with major upgrades and a new concourse, the terminal has significant traffic problems _ the rail route there is one of the biggest freight bottlenecks in the country.

¶ Bypassing Union Terminal is a blow to supporters who had hoped to see expanded passenger rail service there. Amtrak has a national route connecting Chicago, Washington and New York that stops three times a week at the terminal.

¶ Amtrak's preference for a new station diminishes Union Terminal and the city, said Douglass McDonald, president of the Cincinnati Museum Center, the organization at

Union Terminal that oversees its children's museum, a natural history museum and a local history museum.

¶ The terminal was designated a National Historic Landmark in 1977.

¶ Amtrak's other route recommendations include bypassing Elyria and Akron on the northern leg in favor of a more direct route linking Cleveland to Columbus.

¶ Cleveland's existing downtown Amtrak station, which picks up travelers for a Chicago-based national route, would be expanded for the new state line, according to the study. Station sites for Columbus and other potential stops are undetermined.

¶ The study also concluded that the entire 250-mile Cleveland-to-Cincinnati trip would take six hours, compared with about 4 1/2 hours nonstop by car on Interstate 71.

¶ But Amtrak cautioned this was only a rough estimate. Computer modeling of trains on the route is incomplete.

¶ Also, time can be shaved with anticipated safety upgrades to tracks along the route, allowing trains to travel up to 79 mph for longer stretches, Dietrich said.

¶ Amtrak's full study, which will include ridership and revenue forecasts, is expected by the end of August.

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The Morning Journal (morningjournal.com), Serving Northern Ohio

Opinion

LETTER: Passenger rail stop in Grafton or Wellington more cost-effective

Sunday, May 10, 2009

To the Editor:

While we all want as many passenger trains as possible to serve our new Lorain County Transportation Center in Elyria, it's a reach to suggest that Cleveland, Columbus, Cincinnati passenger trains should go out of their way to serve it. That was the message of your May 6 editorial. I encourage the editors to break out their handy road atlas and follow along with me.

The Elyria route option involves using the Norfolk Southern line from downtown Cleveland, past Hopkins Airport, through Berea and west to Elyria. Amtrak's East Coast-Chicago trains take this route. When they find a clear path through the maze of 100 freight trains per day, Amtrak trains can clip along at 79 mph. When they can't, they're delayed for lack of passing sidings. Adding at least one passing siding to ensure 3-C trains stay on-time will be needed here, costing about $5 million to $10 million.

The Lorain County Transportation Center in downtown Elyria's may need perhaps $2 million for passenger trains to serve it. After serving downtown Elyria, some 25 rail miles from downtown Cleveland, Amtrak trains would turn south on a newly restored track connection to a CSX branch line. To build this track connection, where none had previously existed, would require the demolition of the large Elyria Foundry Co. and the relocation of the plant. Cost of the track connection could easily be about $25 million or more. Displacement of property owners for a federally funded transportation project also would trigger a federally required environmentally review, delaying the start up of service by one to three years past the 2011 start.

Such an environmental review will encourage identification of route alternatives that don't result in the displacement of property owners. Even if this routing were still preferred, passenger trains would be limited to 10 mph through this area because of the track connection's tight curvature.

Now on CSX track heading southeast, Amtrak trains could travel at 79 mph south to Grafton — only after this deteriorated, eight-mile long rail line is extensively rebuilt, signal systems added, and grade crossing improvements made. Given the amount of work needed, this is easily a $10 million to $20 million project.

Once in Grafton, which is 25 miles from Cleveland via CSX's direct, high-quality mainline Amtrak trains would need to switch back on the traditional 3-C Corridor which it left behind back in Berea. That means the construction of another track connection. To do this, it means the demolition of the Spitzer car dealership on both sides of Ohio Route 57 and the construction of a substantial bridge over the East Branch of the Black River. While there is an interesting plot line from a passenger rail line demolishing a car dealership, the possible $20 million cost of this track connection makes it even more cost-prohibitive.

That's especially true considering that this option would add some eight miles, perhaps 10 minutes to the travel time between the major cities of Cleveland and Columbus and roughly $75 million to the estimated $250 million start-up cost. That extra eight miles could also add about $700,000 per year in train operating costs.

A more cost-effective solution is to provide a Lorain County station with free parking on the direct Cleveland-Columbus CSX mainline route at either Grafton or Wellington. Both of those communities are already served by regularly scheduled Lorain County Transit bus routes to Elyria.

But if you want more passenger trains to and through Elyria — which All Aboard Ohio does — there are other routes in the state's proposed Ohio Hub system that are more appropriate. Ohio Hub routes using the rail corridor through Elyria would provide service to Toledo, Detroit, Chicago to the west and, in the opposite direction, to Buffalo, Pittsburgh and the East Coast. I hope those are services which we can all agree make much better sense for Elyria.

Kenneth Prendergast, executive director, All Aboard Ohio!

URL: http://www.morningjournal.com/articles/2009/05/10/opinion/mj1015778.prt

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http://www.chroniclet.com/2009/05/amtrak-plan-would-skip-elyria-stop/

Amtrak plan would skip Elyria stop

Staff and Wire reports

COLUMBUS — Amtrak recommends restoring passenger rail service among Ohio's major cities by bypassing the grandest train station left in the state.

Getting new passenger trains into Cincinnati's Union Terminal, a 76-year-old landmark known for its bold Art Deco style and enormous rotunda, would require extensive capital improvements and add to freight congestion already in the area, according to Amtrak's preliminary study, which recommends building a new train station on the city's riverfront instead.

Amtrak's route recommendation, obtained by The Associated Press through a public records request, is part of a study on what it would take to run 79-mph trains along existing freight tracks connecting Cleveland, Columbus, Dayton and Cincinnati — a project that Gov. Ted Strickland wants funded with federal stimulus money.

The proposed route would bypass Elyria and Akron on the northern leg in favor of a more direct route linking Cleveland to Columbus.

Lorain County Commissioner Betty Blair, a strong proponent of rail travel, said she was disappointed that the study suggested skipping Elyria.

"We have a train station that we're remodeling, and we thought it would be a great place to stop," she said.

Blair said while Elyria may not be as large as Cleveland, it still has a significant population that needs reasonable access to passenger trains.

"They want to go where the numbers are, and I understand that, but I don't think we should be short-changed," she said.

President Barack Obama's $787 billion economic recovery package, signed in February, sets aside $8 billion for passenger rail projects in the U.S., something Obama sees as a down payment for a future high-speed network. The first round of funding is expected to be announced this summer.

Strickland has estimated Ohio would need $250 million in stimulus money to begin new Amtrak operations by the end of 2010, with the state picking up an annual $10 million operating cost.

Despite being one of the most treasured buildings in Cincinnati, Union Terminal, which handled 17,000 passengers and 216 trains a day in the 1930s, isn't a good option for a new passenger line, Amtrak told state transportation officials.

Staff writer Brad Dicken contributed to this report.

TO: ORDC Commissioners
FROM: Matthew Dietrich
SUBJECT: March 2009 Executive Director's Report

This document reflects the accomplishments and highlights of the Ohio Rail Development Commission since the January Commission Meeting.

ORDC Budget: The budget and associated testimony has taken a great deal of staff time since the January meeting. The ORDC budget is contained in two bills HB 1 – the State's General Budget that includes ORDC General Revenue Fund (GRF) appropriations used for operations and grants and HB 2- the State's Transportation budget that included in the safety funds, loan funds and language that allows us to accept funds for passenger rail operations in the upcoming biennium. As we have reported, the HB 2 passenger language provisions have received a great deal of attention. Current Status: HB 2 has cleared the House with an amendment that "Adds an additional member to the 14-member Ohio Rail Development Commission, to be appointed by the Governor, representing the interests of manufacturers and having contracting responsibility for rail and non-rail freight transportation. Modifies the voting requirements so that an affirmative vote of six members is necessary to take action." It is now pending action in the Senate before the Senate Transportation Committee. Action on the final bill is expected by the end of March. HB 1 is still in the House. Final action is not expected until June. Thank you to all commissioners for your outreach efforts on our budget.

Federal Stimulus Funds for Rail: There are many opportunities for both freight and passenger rail. As part of the bill, freight and passenger rail projects were explicitly made eligible for Federal Highway Administration (FHWA) funding. ODOT requested that ORDC comment on over 400 rail-related projects submitted to the state. In addition to the FHWA funding, the Federal Railroad Administration (FRA) received $9.3 billion for passenger rail development with $8 billion specifically available to states for one of the following programs: high speed rail; intercity passenger rail capital grants; and congestion. The Federal DOT Secretary is required to provide to congress within 60 days of enactment a strategic plan for the funds and within 120 days interim program guidance.

Ohio Bipartisan Job Stimulus Plan: At the time of this report, the State of Ohio has received 29 Letters of Intent totaling $161,288,405 for Logistics and Distribution Stimulus Program funding. Because of the number and value of funding requests and the approaching end of the state fiscal year, only those full applications received on or before March 13 will be considered for funding during fiscal year 2009. This deadline will allow staff to seek the necessary approvals from the Development Finance Advisory Council and the Controlling Board by the end of May. Any applications received after the March 13 deadline will be considered for the fiscal year 2010 funding allocation.

Amtrak 3-C Service: Amtrak reported last week that their work is moving smoothly. Amtrak has notified the railroads of their work and they have been in the field conducting their preliminary reviews. Although they have not conducted any modeling yet, at this point they are still confident in the August delivery. Lou and Don continue their work meeting with communities on station sites.

State Rail Plan: Upon a request by Commissioner Bennett as Chair of the Economic Development Subcommittee, ODOT has agreed to provide both funding assistance and staff assistance to the ORDC for the development a State Rail Plan. ORDC staff is currently working with ODOT to develop the scope of the project.

ACCOMPLISHMENTS REPORT
PLANNING AND PROJECT DEVELOPMENT
March 5 to May 11, 2009

PLANNER	DEVELOPMENT SPECIALISTS
Don Damron	**Lou Jannazo**
	Bev Lee

FIELD & TRACK INSPECTION

- Field inspections of proposed Sharonville, Cincinnati & Worthington station sites.
- Field inspection of proposed new spur on I&O in Lancaster.

ADMINISTRATIVE

- Helped prepare agendas and briefing packets for May, 2009 meeting including 2 project briefings.
- Continued updating contract and contract amendment tracking system to keep better account of various EPA and Taxations clearances and the contracting process.
- Developed grant agreements for projects approved at March meeting.
- Did grant agreement amendments to extend time for select projects and to reflect changes in scopes of work and termination dates.
- Did OEPA and Ohio Taxation background checks on various grant recipients.

TRAINING

- No activity.

FREIGHT PROJECT DEVELOPMENT AND IMPLEMENTATION

New Project Development/Continued Project Development

- Continued discussions about getting the rail line from Powhatan Point to Omal reopened for a newly located steel fabricating company as well as a major aluminum plant.
- Investigated new spur projects in Lancaster and Norwalk.
- Investigated potential for using salvage proceeds from FRA funded Elgin to Glenmore line to do a branchline rehabilitation that helps get rail closer to a major Ohio Job Ready Site in Van Wert County; wrote letter to Van Wert on next steps and ORDC role.
- Helped develop project to repair surface for "orphan crossing" on SR 79 on Panhandle Heath spur track.
- Investigated possible loan to landfill on Panhandle to purchase new, Ohio built, C&D unloader that could be a prototype for other unloaders at other landfills as well as mines.
- Continued working with City of Jackson on issues such as the tunnel repairs.

Diesel Emissions Reduction Grant (DERG) Program

- Continued coordinating with grantees on getting ORDC – RR Grant Agreement for W&LE, Cleveland Commercial RR, and I&ORY project agreements executed.
- Continued coordination with ODOD on all projects, especially I&O project for two new locomotives which the I&O has turned down 60% grant funding.
- Developed partnership agreements with CSX, Ohio Central, and RJ Corman for Phase II of DERG Program.

Governor's Logistics Program:

- Detailed review of Letters of Intent for Great Lakes Towing, Western Reserve Port Authority, and the City of West Jefferson, Chase, Cincinnati Barge & Rail, and others.
- Participated in meetings, scoring sessions and follow up conference calls on Next Jet, Hubler Road, and NS Double Stack, NS Airline Yard Intermodal Expansion, the Marion Intermodal expansion, & Shoreway Industrial Park, American/Hardin wind lay down, Zanesville-Muskingum County Port Authority distribution park & other project proposals.

American Recovery & Reinvestment Act (ARRA) Stimulus Funding for Rail Projects

- Participated in project analysis selection process with ODOT.
- Notified railroads of selection and gathered scopes of work for all selected projects.
- Coordinated with ODOT on getting the proper information for environmental reviews.
- Participated in countless meetings on the developing method in which ARRA projects will be administered with ODOT, FHWA, and others.

PASSENGER PLANNING

Ohio Hub

- Continued working on efforts to obtain federal earmarks for the select HSR projects by filling out 24 separate funding applications for Congressional offices.
- Refined PEIS scope and worked with ODOT to get work description for ARRA $7 million allocation for Ohio Hub PEIS out for competitive selection. Consultant teams were evaluated and preliminary recommendation provided to ODOT.
- Kicked off FRA/ORDC funded study of station locations and other issues for 3C Corridor high speed service with selected consultant, Parsons Brinckerhoff. Provided PB with a myriad of background information on 3C.
- Continued with various meetings and presentations on Ohio Hub plan.

Amtrak /3C Corridor Investigations

- Kicked off Woodside Consultant capacity modeling contract with meeting of Woodside, the railroads, and ODOT.
- Initial coordination meeting with Amtrak in Toledo to go over Amtrak findings to date on their coordination with freight railroads.
- Continued work on station locations getting more details on proposed sites. Conducted meeting in Cincinnati, Sharonville and Worthington; kept up via telephone with many other communities with potential station site.
- Developed detailed report summarizing station site work to date and raising various questions for Amtrak about the logistics and desirability of the prime sites investigated to date.
- Coordinated with Amtrak to get Amtrak guidance as to what sites Woodside should model.

Other Passenger Initiatives

- Continued coordination with the MWRRI study effort.
- Continued supporting local efforts to develop passenger service, particularly in west Cleveland.
- Kept abreast of passenger issues in across Ohio and nationally through participation in the States for Passenger Rail.

OTHER PLANNING INITIATIVES

Omal Line Reactivation: Worked with Ormet and ARTCo to look for ways to reactivate 10 mile rail line from Powhatan Point to Omal through a major coal loading facility.
Panhandle Lease Sub-Committee: No activity

Miscellaneous:

- Developed comprehensive list of corrections for the next Ohio Rail Map and coordinated with ODOT. ODOT in process of making corrections.

MISCELLANEOUS

- ***SCORT:*** Participated in various state surveys from SCORT.
- ***Liability Task Force:*** No activity.
- ***Glass Rock Branch:*** Continued helping with oversight of Z&W efforts to get excursion services going on ORDC owned line.

SAFETY

- No activity.

WPDOCS/AccomplishmentsCommission

OHIO RAIL DEVELOPMENT COMMISSION
INTER-OFFICE COMMUNICATION

TO: **Matthew Dietrich, Executive Director**

FROM: **Susan J. Kirkland, Manager, Grade Crossing Safety Section**

SUBJECT: **Safety Section Progress Report**

DATE: **May 14, 2009**

The following major objectives were met by the Safety Section during the last two (2) months:

- Safety Section Intern Thomas Burns graduated from the OSU School of Law on Friday, May 15, 2009. We are working with ODOT in an effort to keep Tom on as a part-time employee to assist ORDC with the administration of all rail Stimulus projects and special projects in the grade crossing program.

- Nine rail safety projects have been approved for funding through the American Recovery and Reinvestment Act (ARRA). Four of these projects have been identified as '120 day' projects which means that agreements must be signed and funds secured by June 12, 2009. The remaining projects are identified as '365 day' projects which means that agreements must be signed and funds encumbered by March, 2010. ORDC Safety Section staff members were heavily involved with ODOT and FHWA in developing language for use in agreements with railroads and vendors that meet the legal requirements associated with ARRA funds. Agreements for the four '120 day' projects and one additional project have now been forwarded to the railroads for execution. A substantial amount of staff time has been dedicated to the progression of the projects.

- Negotiations with the City of Vermilion, Erie County, were successfully concluded. The City of Vermilion has a Congressional Set-Aside OH378 of $1M for use towards a quiet zone in the community. ORDC and NS have negotiated a the closure of Perry Street in exchange for incentive funds to be used in conjunction with the Set-Aside for the installation of 4-quadrant gates at Main Street, Grand Street and Perry Street. ORDC Safety Section staff will administer the entire project. A Subsidy Agreement is currently being circulated among the parties and the environmental briefing has been submitted to ODOT District for environmental clearance.

- The Safety Section completed its response to the FHWA's Quality Improvement Review and drafted a policy and procedures to ensure full compliance with 23 USC 130, 23 CFR 646 and 23 CFR 924. The documents have been submitted to ODOT and FHWA in draft form. FHWA has commented multiple times on the draft and ODOT has yet to reply. Once definitive feedback has been received from all parties, the policy and procedures will be finalized and implemented.

- The ORDC and ODOT - Office of Traffic project to review preempted traffic signals with highway-rail grade crossings is gaining momentum. Our consultant, CTC, has presented ODOT Traffic personnel with the detail for a new Ohio standard on railroad preemption. The new standard was well received. Throughout the summer data collection will continue, field reviews will begin and regional trainings will take place for State, County and local traffic engineers as well as traffic engineering consultants.

- A CSX crossing on Ulsh Road, TR250, in Marion County, Claridon Township was identified by PUCO priority program, a diagnostic review was conducted on 9/23/08. The review team held recommendation in abeyance pending closure evaluation. The ODRC wrote to the Claridon Township Board of Trustees proposing the closure of Ulsh Road in exchange for flashing lights and roadway gates at Marion-Williamsport Road, incentive funds of $7,500 each from ORDC and CSX, and the application of barricades and removal of surface at Ulsh Road. At a Township Meeting on February 3, 2009, Claridon Township Trustees opted to leave the crossing open. Subsequently, on February 18, 2009 CSX petitioned the PUCO for the closure of Ulsh Road. PUCO conducted a Public Hearing on Monday, May 4, 2009 6:00 p.m. Claridon Township Building. As this process moves forward ORDC staff will likely be subpoenaed to testify before the PUCO on the case.

- The ORDC $5,000,000 commitment to the Wood County, CSX North Baltimore Intermodal Facility continues to move forward. A Letter Agreement was drafted and accepted by all parties, on April 21, 2009. ORDC executed Letter Agreement on April 22, 2009 and sent to Chuck Gullakson for CSX signature. This past week Rusty Orbin expressed that our Letter Agreement might need to be amended because of a continuing prevailing wage issue. CSX is awaiting a letter of clarification from the Department of Commerce. CSX understands that ORDC cannot issue an authorization for any work until Letter Agreement is executed and funds have been encumbered. In addition CSX now anticipates that the community will allow the closure of Hough Road because of a blockage situation created by the new facility. Lastly, it is likely the letter agreement will also need amended to allow for a grade separation at Liberty Hi Road, AAR# 142 278V and the closure of TR135, Hough Road, AAR# 142 277N.

- The ORDC has been working to move a SAFETEA-LU earmark of $2,080,000 forward. The original earmark was established to create a quiet zone, fund a cost benefit analysis of grade separations and a traffic calming project in Tiffin, north of Heidelberg College, at SR 18 (E. Perry Street) and SR 101 (E. Market Street). We have come to understand that the City has opted to use the funding for improvements to grade crossing safety on the CSX line which runs close to two colleges and elementary school and an highway project that lacks adequate funding. In late March the City communicated their wishes with Congressman Robert Latta; subsequently Congressman Latta has presented new language to Congress. The corrective language is still before Congress. Upon resolution of how the set-aside is to be directed the ORDC will assist the community with administration of the railroad safety project.

- The closure of a hazardous crossing has been negotiated in Richland County at Springmill North Rd., TR208, AAR- 502669K. The project has progressed slowly, but will soon be authorized for construction. As background, on April 11, 2008 a fatal crash occurred at this Norfolk Southern crossing. The ORDC coordinated a Diagnostic Review on May 19, 2008 to determine if additional warning devices or modifications were warranted at the crossing. At the review most parties were in favor of an engineering study to evaluate the closure of the crossing. Significant discussion ensued between the Township Trustees, County Commissioners, NS and the ORDC. The Board of Trustees voted in favor of closing Springmill North Road and the installation of Lights and Gates at Leppo Road, a joint NS and Ashland Railway crossing. The Richland County Board of County Commissioners subsequently passed a resolution on July 31 in favor of this closure and upgrade. In December of last year environmental clearance was approved by ODOT and NS signed the Subsidy Agreement. From January until April of 2009, the project was at a standstill pending development of appropriate methodology to coordinate the project between the two railroads. Just recently, agreement was reached and the Ashland Railway signed the agreement allowing for funds to be encumbered.

- The City of Toledo and NS have secured Stimulus funds for intermodal improvements to Airline Yard. In addition to these funds both entities have approached the ORDC requesting funds for infrastructure improvements in exchange for closures of crossings via removal of a portion of the Clinton Secondary track and removal of a vehicular crossing at the mouth of airline yard. The Safety Section conducted an on-site review of the Clinton Secondary and the crossings under consideration for elimination.

Nebraska Avenue	508 963D	ADT 10,247	Preemption required
Parkside Blvd.	508964K	ADT 10,577	Preemption required
Dorr Street	508966Y	ADT 22,748	
Douglas Rd. / N. Westwood Ave.	508967F	ADT 6,103	Preemption required
Westwood Avenue South*	509451P		

The Safety Section considers all of the above closures valuable eliminations. The Safety Section will work closely with all parties involved to secure the closures.

- Early in the year, the Safety Section authorized PUCO to select another round of priority pick crossings. Diagnostic reviews were conducted in March and April resulting in seven of nine locations being selected for improvement. The following locations will be funded by ORDC through the PUCO Priority Program:

ATB	US6-18.97	503124J
MAR	High Street (Village of Caledonia)	262056S
MAR	Main Street (Village of Caledonia)	262055K
MRW	Marion-Johnsonville Rd., TR59	518336G
UNI	Dog Leg Rd., TR136	513818P
UNI	Westlake-Lee, CR137	513817H
WOO	Hull Prairie Rd., TR97	155811D
WOO	Lincoln St. (Village of Tontogony)	155795W
WOO	Washington St. (Village of Tontongony)	155798S

- In 2004 the City of Bedford approached ORDC requesting grade crossing improvements in its community. A subsidy agreement was executed in November, 2008, for the closure of Monroe Street and South Park Street and improvements to Powers Street and North Park Street in the form of modernizing the active warning devices and reconstruction of grade crossing surfaces. Environmental clearance has been received for this project. ITS (Intelligent Transportation Systems) data needs to be collected for the preemption of the warning devices with traffic control systems prior to Federal Highway authorization.

- The City of Delphos approached ORDC with a proposal to close a crossing at Canal Street in exchange for surface upgrades to crossings on South Franklin Street and Clay Street. This is exceptionally good timing as this will eliminate one crossing having to be improved through Stimulus funding. This project will be coordinated in conjunction with the Stimulus project in the same corridor.

- The Medina County Commissioners have received funding approval from PUCO for grade crossing safety improvements on Beat Road, Root Road and Stone Road. On April 27, 2009, the Medina County Commissioners requested financial assistance from ORDC for up to $10,000 per crossing. ORDC staff will evaluate this request and it is likely these crossings will be included in the FY 2010 budget.

MEMORANDUM
May 14, 2009

TO: ORDC Commissioners
FROM: Megan McClory
SUBJECT: Finance Report

Accomplishments and Highlights of the Finance Section from March 5, 2009 to May 13, 2009:

1. **Financial Statements.** Staff has prepared statements to reflect current outstanding loans, revenue collection, and project balances.

2. **Budget Reductions.** The state's Fiscal Year 2009 budget picture is not looking good, given that April personal income tax revenues were about 30% less than estimated. As a result, Governor Strickland issued an executive order regarding spending restrictions for the remainder of the current budget year (ending June 30) and for the upcoming FY 2010-2011 biennium. Those restrictions include strict oversight of most purchases, a call for a reduction in agencies' non-payroll operating budgets of 30% from current levels, and a request for review of nearly all purchases and ongoing contracts. ORDC already was moving in this direction in planning the move from our LeVeque Tower space into the ODOT Headquarters building. In addition, we are reassessing our use of portable telecommunications devices and their necessity and exploring ways to modify the budget to assign costs to other funding sources in order to continue maximizing funds available for grants.

3. **ARRA Projects.** ORDC has been working with colleagues at ODOT and the Ohio Division of the Federal Highway Administration to administer the approximately $77 million of Ohio's ARRA funds for rail-related projects.

4. **Passenger Rail Expert RFP.** ORDC issued a Request for Proposals from individuals or firms interested in providing expert advice to ORDC in regards to passenger rail planning and implementation. We received nearly a dozen proposals and have made a selection. We are working with the Division of Transportation System Development at ODOT to see if they can assist with funding.

5. **ORDC Staffing Updates.**

    a. Changes due to Collective Bargaining Agreement: The new collective bargaining contract for the Ohio Civil Service Employees Association includes a provision that all bargaining unit members must take 80 hours of "cost-savings time off" during each of the next two fiscal years, starting July 1, 2009. Everyone who is affected by this needs to schedule their days before the end of June, so we will be doing this scheduling in the coming weeks. A similar provision is likely exempt employees (those not covered by the bargaining unit), but details are not yet available.
    b. Intermittent Position: We are working on creating an "intermittent" position to provide assistance with ongoing safety and federal stimulus project activities.
    c. Intern: We are in the process of hiring a college intern, this one a student who can assist with

project-related activities. The position is currently being advertised through the state's website.

6. **Greater Ohio Ethanol.** ORDC loan recipient Greater Ohio Ethanol in Lima filed for Chapter 11 bankruptcy in October. The original loan amount was $1 million and approximately $107,000 was repaid prior to the filing. The sale of the facility was completed and our share, which amounted to about $35,750, was received in March. There are some remaining legal actions which may result in additional dollars, however the amount is not expected to be significant. Alan Klodell continues to monitor the bankruptcy proceedings on ORDC's behalf.

7. **2010-2011 Budget.** Staff presented ORDC's FY 2010-2011 budget to the Ohio Legislature. ORDC's appropriations were unchanged in the House's version of the budget, but state revenues for the current fiscal year, upon which the FY 2010-2011 revenues are estimated, are continuing to perform poorly. Significant changes to the budget are possible before it clears the Ohio Senate next month, but we do not have any information regarding any potential impacts to ORDC's budget. Director Dietrich testified before the Senate Finance Committee on May 7, 2009.

OHIO RAIL DEVELOPMENT COMMISSION: May 2009 Finance Report

GRF APPROPRIATION AVAILABLE FOR PROJECTS

GRF APPROPRIATION FOR PROJECTS		2,696,356
LESS: BUDGET REDUCTION (net)		(128,170)
LESS: PROJECTS ENCUMBERED or DISBURSED		
Ashland Railway Bridge Deck Rehabilitation	50,000	
Camp Chase Rehabilitation, Phase III	100,000	
Columbus & Ohio River Railroad Marne Bridge	4,000	
I&O Blue Ash Rehabilitation	251,449	
MAW Defiance Yard & Track Rehabilitation	225,000	
Ohio Operation Lifesaver	1,300	
Ohi-Rail Bridge Repairs, Phase II	25,000	
Ohi-Rail Minerva Tie Improvements	16,000	
RJ Corman Bridge & Track Rehabilitation	163,070	
TMACOG 2008 Freight Conference	2,500	
W&LE Akron Sub Crossing Safety Improvements	175,000	
Warren & Trumbull Railroad/Warren Steel Holdings	300,000	
WESTCO Port Authority Track Rehabilitation	200,000	
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED		
Case Farms	55,000	
Lawrence County Port Authority	80,000	
Columbus & Ohio River Railroad Newark to Mt Vernon	350,000	
I&O Midland Subdivision	230,000	
City of Greenfield/Midland City to Greenfield	210,000	
FRA Planning Grant/State Match	62,500	
LESS: PROPOSED GRF COMMITMENTS FOR FY 2009		
Additional funds for C&OR Newark to Mt Vernon	67,367	
TOTAL	*2,568,186*	*-2,568,186*
BALANCE OF GRF APPROPRIATION FOR PROJECTS		***0***

RAIL FUND 4N40 - REVOLVING LOAN FUND	Uses of funds	Spending Authority	Cash
Cash Balance as of 5/11/09			5,550,937
LESS: OPEN ENCUMBRANCES	1,718,000		
LESS: PANHANDLE RESERVE FUND	763,700		
TOTAL	*2,481,700*		*-2,481,700*
FISCAL YEAR 2009 APPROPRIATION		2,111,500	
LESS: PAYROLL FROM LOAN AND LICENSE FEES (Budgeted)	188,336		
LESS: PROJECTS ENCUMBERED or DISBURSED			
Lancaster Port Authority/US Corrugated	145,163		
Maumee and Western Hot Starts	90,000		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED			
WESTCO Port Authority Track Rehabilitation	400,000		
LESS: PROPOSED LOAN COMMITMENTS FOR FY 2009			
TOTAL	*823,499*	*-823,499*	*-2,111,500*
APPROPRIATION BALANCE OF FUND 4N40 AVAILABLE FOR PROJECTS		***1,288,001***	
ADDITIONAL CASH BALANCE OF FUND 4N40 AVAILABLE*			***957,737***

**Funding projects beyond the appropriation balance would require Controlling Board approval.*

FY 2009 Project Balance Summary

Remaining GRF Appropriation for Projects	0
Remaining 4N40 Appropriation for Projects	1,288,001
Balance of ORDC Appropriations for Projects	**1,288,001**

Revenue Received FY 2009
April 2009

Name	CT #	Invoice #	Reimburse-ments 7002/GRF	Refund 4N4(53490)	Gas & Oil Leases, Royalties and Other - 4N4 (49995)	ORDC Loan Payment - 4N4 Fees (29991)	Princ. (79955)	Inter. (79956)	Running Total
Ashland Railway		Electronic					8,599.89	311.32	891,727.53
&O (FCP)		Electronic					4,188.05	202.02	896,117.60
Lancaster Port Authority		Electronic					4,032.30	0.00	900,149.90
MIC		Electronic					4,694.10	1,020.02	905,864.02
Maumee & Western RR		Electronic					2,323.14	135.33	908,322.49
SST Port Authority		Electronic					4,912.25	189.15	913,423.89
NESTCO #1		Electronic					3,666.67	0.00	917,090.56
NESTCO #2		Electronic					3,338.30	0.00	920,428.86
N&LE (VL)		Electronic					0.00	890.00	921,318.86
Dominion	79	RA0078			250.00				921,568.86
Dominion	79	RA0046			281.39				921,850.25
Genesee & Wyoming	79	RA0082			2,500.00				924,350.25
First Energy	79	RA0079			250.00				924,600.25
First Energy	79	RA0079			4,426.50				929,026.75
Cambrian Hunter, Inc.	80				38.20				929,064.95
Resource Energy	81				73.60				929,138.55
Ohio River Pipe Line (Marathon)	81	RA0081			265.23				929,403.78
Rail Staff (phone call reimbursement)	82		22.36						929,403.78
Ergon Oil Purchasing	83				17.26				929,421.04
Porter Wright	84	-			6.50				929,427.54
AT&T	84	RA0077			500.00				929,927.54
Portage County (Solid Waste)	85	RA0084					1,338.98	35.59	931,302.11
Genesee & Wyoming	86	RA0087			2,500.00				933,802.11
Genesee & Wyoming (2009-1st Quarter)	86	Apex			20,140.00				953,942.11
		Monthly Total	22.36		31,248.68		37,093.68	2,783.43	71,125.79
		Grand Total	3,713.06	0.00	151,609.37	33,530.00	721,055.58	47,747.16	953,942.11

ORDC - Loan Payback (Active Loans)
May 1, 2009

	Loans	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Application, Loan, Interest & Admin. Fees	Total Payments
FY03 Portage Cty Solid Wst Mgmt. *	$80,000	$16,495	$16,495	$9,622						***$3,279***	***$83,279***
FY04 Ann Arbor Railroad **	$768,736	$121,257								*$41,846*	*$810,582*
FY04 Columbiana County Port Authority *	$2,098,047	$384,301	$268,114	$272,166	$272,166	$272,166	$136,083			***$101,451***	***$2,199,497***
FY04 W&LE (Valley Line)*	$400,000	$409,790								***$58,167***	***$458,167***
FY04 Maumee & Western *	$199,088	$29,502	$29,502	$29,502	$17,209					***$8,460***	***$207,548***
FY05 Seneca-Sandusky-Tiffin Port Auth*	$290,000	$61,217	$61,217	$10,203						***$16,267***	***$306,267***
FY05 Ashland RW (Mansfield Yard Rehab)*	$500,000	$106,935	$106,935	$8,911						***$41,285***	***$541,285***
FY05 I&O (Fulton County Processing, Ltd)*	$242,335	$52,681	$52,681	$8,780						***$24,266***	***$266,601***
FY07 Marion Industrial Center *	$273,000	$63,913	$68,569	$68,569	$68,569	$22,856				***$32,078***	***$305,078***
FY07 WESTCO *	$308,000	$44,000	$47,013	$50,026	$50,026	$50,026	$50,026	$25,013		***$35,760***	***$343,760***
FY07 Greater Ohio Ethanol	$1,000,000	$83,371	*(GOE filed for bankruptcy October 2008-settlement payment March 2009)*							*$153,394*	*$153,394*
FY08 WESTCO (Sugar Creek Bridge) *	$280,417	$23,368	$40,060	$41,885	$43,189	$43,189	$43,189	$43,189	$17,995	***$20,147***	***$300,565***
FY07 Village of Leipsic *	$825,000	$0	$126,923	$131,318	$135,713	$135,713	$135,713	$135,713	$67,857	***$52,702***	***$877,702***
FY09 Lancaster Port Authority *	$145,163	$20,162	$48,952	$49,743	$29,017					***$4,911***	***$150,074***
FY06 Harrison Ethanol ***	$500,000										
FY06 Wheeling & Lake Erie ***	$150,000										
FY07 Warrenton River Terminal ***	$200,000										
FY07 Wheeling & Lake Erie ***	$378,600										
FY08 MGQ, Inc. ***	$300,000										
FY08 City of Jackson ***	$300,000										
FY09 WESTCO (Springfield/WCH) ***	$400,000										
FY09 Maumee & Western ***	$90,000										
	$9,728,386	**$1,416,990**	**$866,460**	**$680,726**	**$615,890**	**$523,951**	**$365,011**	**$203,915**	**$85,852**	***$594,013***	***$7,003,799***

Loan Amount Received to Date: **$1,223,967**
Loan Balance Due: **$193,023**

*Loans Active
**Loans Paid Off
***Loans in Process

OHIO RAIL DEVELOPMENT COMMISSION
APPROPRIATION LEDGER
For Month Ending April 30, 2009

FUND	SAC	FEDERAL STATE/OTHER	ORIGINAL APPROPRIATION	TRANSFERS / REDUCTIONS	UNASSIGNED	ADJUSTED APPROPRIATION	OPEN ENCUMBRANCES	TOTAL DISBURSED	UNENCUMBERED BALANCE	PERCENT UNOBLIGATED	SAC DEFINITION
GRF	4FA5	STATE	2,696,356.00	45,918.23	174,087.50	2,742,274.23	1,219,956.50	293,362.50	1,054,867.73	38.47%	GRANT (ALL)
GRF	465M	STATE	63,608.00	(5,556.35)	7,965.13	58,051.65	4,581.66	41,059.55	4,445.31	7.66%	PERSONAL SERVICE/OTHER
GRF	4651	STATE	726,000.00	(20,117.59)	0.00	705,882.41	0.00	592,166.42	113,715.99	16.11%	PAYROLL
GRF	4652	STATE	179,036.00	14,755.71	47,091.52	193,791.71	0.00	105,593.12	41,107.07	21.21%	OFFICE EXPENSE
GRF	4653	STATE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	OFFICE EQUIPMENT
FUND TOTAL			**3,665,000.00**	**35,000.00**	**229,144.15**	**3,700,000.00**	**1,224,538.16**	**1,032,181.59**	**1,214,136.10**	**32.81%**	**FUND TOTAL - GRF**
7002	4FN7	FEDERAL	1,331,200.00	9,983,353.96	0.00	11,314,553.96	5,584,015.00	98,993.38	5,631,545.58	49.77%	GRADE CROSSING PAVEMENT
7002	4FP1	FEDERAL	668,800.00	(44,430.40)	0.00	624,369.60	0.00	518,777.38	105,592.22	16.91%	GRADE CROSSING SAFETY'S PAYROLL
7002	4FP7	FEDERAL	11,000,000.00	1,883,389.25	0.00	12,883,389.25	5,473,106.25	252,480.10	7,157,802.90	55.56%	GRADE CROSSING DEVICES
FUND TOTAL			**13,000,000.00**	**11,822,312.81**	**0.00**	**24,822,312.81**	**11,057,121.25**	**870,250.86**	**12,894,940.70**	**51.95%**	**FUND TOTAL - 002**
3B90	8FB5	FEDERAL	10,000.00	0.00	0.00	10,000.00	0.00	0.00	10,000.00	100.00%	FEDERAL RAIL - SUBSIDY
FUND TOTAL			**10,000.00**	**0.00**	**0.00**	**10,000.00**	**0.00**	**0.00**	**10,000.00**	**100.00%**	**FUND TOTAL - 3B9**
4N40	6FC9	OTHER	1,928,536.00	(5,372.00)	0.00	1,923,164.00	90,000.00	145,162.95	1,688,001.05	87.77%	RAIL TRAN - LOANS
4N40	6FD9	STATE	763,700.00	0.00	0.00	763,700.00	0.00	0.00	763,700.00	100.00%	PANHANDLE LEASE PAYMENT
4N40	6111	STATE	182,964.00	5,372.00	198.58	188,336.00	0.00	159,019.62	29,117.80	15.46%	PAYROLL(PROPERTY MGNT)
FUND TOTAL			**2,875,200.00**	**0.00**	**198.58**	**2,875,200.00**	**90,000.00**	**304,182.57**	**2,480,818.85**	**86.28%**	**TOTAL - OTHER ASSISTANCE**
GRAND TOTAL			**19,550,200.00**	**11,857,312.81**	**229,342.73**	**31,407,512.81**	**12,371,659.41**	**2,206,615.02**	**16,599,895.65**	**52.85%**	

PROJECT BRIEFING
COMMISSION APPROVAL OF STAFF ADMINISTRATION OF AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) AWARDS

May 11, 2009

Project Costs
FHWA ARRA Funds **$77,963,923**

Project Benefits
Ohio Communities and Railroads receive Grade Crossing Safety Upgrades, Rehabilitated Rail Infrastructure, and Economic Development Opportunities

INTRODUCTION: ORDC Staff requests formal approval of ORDC Commissioners to administer up to 21 rail-related American Recovery and Reinvestment Act (ARRA) project awards which involve Ohio communities and railroads. Staff time is required and ORDC Staff may propose supplemental funding for some projects if ARRA funds are insufficient.

BACKGROUND: The federal stimulus package passed in February of this year contained an allocation of approximately $27 billion dollars for transportation projects, which is distributed to states according to existing formulas. Ohio's allocation is approximately $774 million and is available for a broad array of projects including freight and passenger rail investment. The Ohio Department of Transportation (ODOT) and Governor Strickland selected 149 projects for funding, including 22 that have a direct nexus with Ohio's rail network.

Under the ARRA, 50 percent of the state's transportation stimulus funds must be obligated and assigned to specific projects by June 29, 2009; the remaining amount must be obligated and assigned to specific projects by March 1, 2010; and the majority of all projects must be constructed by March 1, 2012.

PROJECT DESCRIPTION/STAFF REQUEST FOR COMMISSIONER APPROVAL: ORDC Staff requests that ORDC Commissioners formally empower ORDC Staff to take whatever actions are necessary to administer ARRA funds including but not limited to entering into agreements as required by federal regulations, developing and administering grant agreements by which ORDC reimburses Ohio railroads and communities with ARRA funds for selected projects, and monitoring and enforcing provisions of the ORDC agreements for the duration of the agreements.

PROJECT BENEFITS

- Grade crossing safety upgrades in Wayne, Licking, Montgomery, and Warren Counties, Minerva, Delphos, North Ridgeville, Mogadore, and Hartville, and statewide through the pre-emption initiative.
- Rehabilitation of publicly-owned rail infrastructure in Medina, Jackson, and along the state-owned Panhandle Line and Piney Fork Line.
- Capacity improvements along the Norfolk Southern Heartland Corridor Extension (Columbus to Cincinnati) and the CSX National Gateway Route.
- Improvements to advance economic development projects in Toledo (Airline Yard) and Youngstown (V&M Steel Expansion).
- Rehabilitation of short-line railroad infrastructure in Columbus and Cleveland, west-central Ohio, and Jefferson, Stark and Summit Counties.
- Advancement of the PEIS for high-speed passenger rail development.

Rail-Related Federal Transportation Stimulus Projects*		
County	**Project Description**	**Stimulus Funds**
Jackson	City of Jackson Rail Line Rehabilitation	$ 2,000,000
Medina	City of Medina; Medina Owned Line Rehab	$ 950,000
Wayne	City of Orrville; Upgrade to Railroad lights and gates	$ 850,000
Mahoning	City of Youngtown; N.S. Rail Line Reloc for V&M Star Steel Expansion	$ 20,000,000
Cuyahoga	Cleveland Commercial Railroad, LCC	$ 67,000
STW	CSX Double Stack Clearance	$ 20,000,000
Licking	Licking Co. SR 79 resurface rail crossing	$ 100,000
Summit	Macedonia - Upgrade out dated Railroad crossings	$ 168,323
Columbiana	Minerva - Safety Upgrade of warning lights	$ 250,000
Lorain	North Ridgeville - Safety Upgrade for Quiet Zone	$ 800,000
Lucas	NS Airline Yard Rail project	$ 6,500,000
STW	NS Double Stack Clearance	$ 3,600,000
Franklin	ORDC; Camp Chase Railroad Bridge Rehabilitation	$ 300,000
Van Wert/Allen	ORDC; Delphos rail Warning improvements	$ 778,600
Montgomery	ORDC; Railroad Safety Upgrades Montgomery/Warren	$ 1,000,000
STW	Project Development for the Ohio Passenger Rail Corridors	$ 7,000,000
STW	RJ Corman Western Ohio Ln Rehab	$ 1,300,000
STW	Signal Preemption	$ 2,500,000
STW	State-owned Panhandle Line	$ 7,000,000
Clark	West County Port Authority; Track Rehabilitation	$ 1,000,000
Stark	Wheeling & Lake Erie Rail Akron/Canton Track Rehabilitation	$ 1,200,000
Stark	WLE Hartville - Upgrade Railroad Lights and gates	$ 600,000
	Total	**$ 77,963,923**
*This list consists of projects selected by the State of Ohio and submitted to the Federal Highway Administration for approval.		

RESOLUTION 09-13
RE: AMERICAN RECOVERY AND REINVESTMENT ACT ("ARRA") AWARDS

A RESOLUTION TO AUTHORIZE STAFF TO TAKE ANY AND ALL NECESSARY ACTION NECESSARY TO ADMINISTER ARRA AWARDS UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has been charged with administering up to twenty one rail-related American Recovery and Reinvestment Act (ARRA) project awards to assist various Ohio communities and railroads.

WHEREAS, the ORDC is authorized by ORC 4981.031 to apply for and receive from the United States government loans and grants (subject to the approval of the Governor, as specified in ORC 4981.14(10)) in accordance with any federal law or program concerning rail transportation ;and

WHEREAS, the ORDC is charged by ORC 4981.03(A)(1) with developing, promoting and supporting safe, adequate and efficient rail service throughout the state; and

WHEREAS, ORC 4981.14 gives the ORDC the authority to do all acts necessary and proper to carry out the powers expressly granted to the Commission; and

NOW, THEREFORE, BE IT RESOLVED, that the ORDC hereby authorizes the ORDC staff to do all acts necessary and proper to administer ORDC's ARRA awards.

Moved By _____
Seconded By_____

Upon roll call, the vote resulted as follows:

Thomas McOwen, Vice-Chair	____	yes	_____	no	_____	absent	_____	abstained	____ recused
_____ for Jolene Molitoris	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Robert Greenlese	____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Murdock for Mark Barbash	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Lozier	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	_____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 5/21/2009

CERTIFICATE

I, the undersigned Vice-Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 5/21/2009
Thomas B. McOwen, Vice-Chair Date

PROJECT BRIEFING
SECOND AMENDMENT TO RESOLUTION 08-08 FOR THE CITY OF JACKSON RAIL LINE REHABILITATION

May 14, 2009

Project Costs	
ORDC Grant	**$324,000**
ORDC Loan up to	**$300,000**

Project Benefits

Improves Safety
Facilitates New Traffic
Facilitates $2 Million ARRA Stimulus Grant

EXPLANATION OF AMENDMENTS:

Background: At the May 8, 2008 ORDC Commission Meeting, Commissioners approved a grant of up to $350,000 and a loan of $300,000 to the City of Jackson for the improvement of the City of Jackson owned line between RA Junction (near Chillicothe) and the City of Jackson. The grant was "up to" $350,000 because ORDC Staff expected to put any remaining funds from sweeping the accounts at the end of the fiscal year into the Jackson project. (The final number for the ORDC FY 2008 grant turned out to be $324,000.) The loan repayment was based on the expected receipts of the City from lease funds from US Rail, its contract operator. US Rail is required to pay the City a percentage of its gross revenues. ORDC Staff set up a loan repayment schedule based on the number of revenue carloads US Rail handled annually. The repayment schedule was purposefully lenient to allow the City to retain some of the US Rail payments for a contingency rail fund for needed emergency work. Based on 2007 carloadings, the loan repayment would take 6 years. Recent carloadings are below the 2007 level.

At the November 13, 2008 ORDC Commission Meeting, Commissioners approved a change in the scope of work for the grant and loan funds. The $324,000 in grant funding was to go toward the installation of 1,125 ties on the mainline, repair of Bridge #92, and repairs of the Richland Tunnel. Loan financing was to go toward 1,125 ties on the AluChem Branch where a new customer, Ohio Basic Minerals, has been expanding a sand operation, other tie replacement to be determined, and the City's costs for engineering work and for a track inspector/consultant. Both the May and November 2008 Briefings are included in this packet.

Second Amendment Request: The City of Jackson again requests a change in the scope of work for both the $324,000 grant, and the $300,000 loan.

The City requests that the entire $324,000 ORDC grant be applied toward the costs of the repair of the Richland Tunnel. More detailed engineering, and a competitive bid process, have resulted in actual project costs being much higher costs for repairs than originally estimated.

The City requests that up to $300,000 of the loan financing be applied toward the following:

1) The costs (both those already incurred and any future costs) of engineering the Richland Tunnel, putting together the tunnel bid documents, conducting bid meetings for the tunnel for the tunnel work; performing construction inspections; and related engineering costs.
2) Other engineering costs for tunnel and bridge work that may be necessary the rest of 2009 and in 2010.
3) The costs (both those already incurred and any future costs) of a track inspector/consultant for determining track project scopes of work, putting together bid packages, conducting pre-bid meetings, performing inspections, and other work related to the ORDC grant project.
4) The costs of a track inspector/consultant for determining track project scopes of work, putting together bid packages, conducting pre-bid meetings, performing inspections, and other work that may be necessary the rest of 2009 and in 2010.
5) Unforeseen costs for additional Richmond Tunnel repair not to exceed $50,000.

Neither ORDC nor the City of Jackson expect that the City will need all of the $300,000 for the purposes above. The City estimates that it has already paid engineering and track consultants nearly $100,000 for consulting work already completed.

CITY SEEKS NEW OPERATOR FOR JACKSON LINE; SUES TO DISMISS US RAIL: The City of Jackson has recently filed suit in a local Jackson court of common pleas to terminate its lease with US Rail for cause. ORDC Staff has not played any role in this issue. The City's action complicates any and all efforts of the State of Ohio to assist the City with rail projects. The litigation between the City and US Rail has made it more important to the City to obtain engineering and track consultants.

REVISED TUNNEL PROJECT: The City's consulting engineer put together a detailed bid package for the Richland Tunnel project. Initial bids from construction companies exceeded existing funds. The engineer selected items to eliminate to put the low bid within the ORDC grant total of $324,000. A copy of the selected contractor's (Wm. Brode Co.) bid/scope of work is included herein as Exhibit "A".

JACKSON LINE SELECTED FOR $2 MILLION ARRA GRANT:

The State of Ohio has selected the City of Jackson Line for a $2 million federal American Recovery & Reinvestment Act (ARRA) stimulus grant. The scope of work for this ARRA grant will include ties, ballast, surfacing, lining and related work for the entire railroad except the line from Jackson to Oak Hill where there is very little rail activity. The City of Jackson will need to use a track inspector/consultant to manage many aspects of this work. Up to 10% of the ARRA grant can be used to pay for required project inspection. Based on ORDC Commissioners approval of Staff's request to allow ORDC to administer ARRA projects, ORDC will administer the ARRA grant to the City.

W:JacksonLineSecondAmendmentBriefing

				ENGINEER	ESTIMATE		2/16/09	W. M. BRODE CO.	
ITEM	DESCRIPTION	QUANTITY		UNIT	PRICE		TOTAL PRICE	UNIT PRICE	TOTAL PRICE
				MATERIAL	LABOR	TOTAL			
624	MOBILIZATION	1	LS	5,000.00	45,000.00	50,000.00	50,000.00	46,500.00	46,500.00
201	CLEARING & GRUBBING	1	LS	500.00	4,000.00	4,500.00	4,500.00	2,000.00	2,000.00
203	EMBANKMENT	1	LS	3,000.00	2,000.00	5,000.00	5,000.00	16,000.00	16,000.00
207	TEMP. EROSION/SEDEMENT CONTROLS	1	LS	700.00	2,000.00	2,700.00	2,700.00	2,000.00	2,000.00
503	EXCAVATION FOR STRUCTURES	1	LS	500.00	6,000.00	6,500.00	6,500.00	4,000.00	4,000.00
503	COFFERDAMS, CRIBS, AND SHEETING	1	LS	1,000.00	5,500.00	6,500.00	6,500.00	7,150.00	7,150.00
SPECIAL	TIMBER CRIB WALL	694	SF	70.00	75.00	145.00	100,630.00	200.00	138,800.00
SPECIAL	REPAIRS TO HEADER TIMBER END	35	EA	50.00	100.00	150.00	5,250.00	75.00	2,625.00
SPECIAL	REPAIRS TO STRETCHER TIMBER	20	LF	50.00	150.00	200.00	4,000.00	60.00	1,200.00
SPECIAL	RESTORATION OF PORTAL TIMBER SET	49	LF	50.00	100.00	150.00	7,350.00	60.00	2,940.00
SPECIAL	EARTH ANCHOR ASSEMBLY	12	EA	200.00	250.00	450.00	5,400.00	640.00	7,680.00
SPECIAL	EARTH ANCHOR W/ WASHER	16	EA	100.00	100.00	200.00	3,200.00	570.00	9,120.00
SPECIAL	ROCK ANCHOR ASSEMBLY	15	EA	200.00	350.00	550.00	8,250.00	530.00	7,950.00
~~520 APP~~	~~1" SHOTCRETE~~	5053 ~~####~~	~~SF~~	~~1.00~~	~~6.00~~	~~7.00~~	~~35,385.00~~	~~16.00~~	~~80,880.00~~
~~509~~	~~REINFORCING STEEL~~	2200 ~~####~~	~~LB~~	~~0.50~~	~~3.00~~	~~3.50~~	~~7,700.00~~	~~2.00~~	~~4,400.00~~
SPECIAL	1" RESIN ROCK BOLTS	32	EA	300.00	600.00	900.00	28,800.00	460.00	14,720.00
103	PERFORMANCE & PAYMENT BONDS	1	LS	0.03	0.00	0.03	8,434.95	7,350.00	7,350.00
SPECIAL	RAILROAD PROTECTIVE INSURANCE	1	LS	0.03	0.00	0.03	8,434.95	47,100.00	47,100.00
	TOTAL BASE BID						~~$ 298,084.00~~		~~192,445.00~~
	Bidder's Personal Property Tax Statement			Furnished Y/N				Y	317,135.00
	Non Collusion Bid Affidavit			Page 1					

A-11

47

PROJECT BRIEFING:
AMENDMENT TO RESOLUTION 08-08 FOR THE CITY OF JACKSON RAIL LINE REHABILITATION

November 5, 2008

Project Costs		Project Benefits
ORDC Grant	$324,000	Improves Safety
ORDC Loan	$300,000	Facilitates New Traffic

INTRODUCTION: At the May 8, 2008 ORDC Meeting, ORDC Commissioners approved FY 2008 funding for a grant to the City of Jackson for up to $350,000. The final grant amount was dependent on the funds remaining in the ORDC budget at the end of the FY 2008. The final grant amount was determined to be $324,000. In addition, ORDC Commissioners approved a loan of $300,000. The ORDC funding was directed toward the repair of the City of Jackson owned, US Rail operated, rail line, i.e. tie replacement and related track work on the mainline track between Chillicothe and Jackson, and on the so called AluChem lead track located primarily in the City of Jackson. A copy of the briefing and resolution from the May meeting are included herein as Exhibit "A".

The City of Jackson, in conjunction with US Rail, has requested that ORDC revise its grant and loan scopes of work to include:

1) Emergency repairs to the portal facades and other work on the Richland Tunnel at MP 122.1 of the former B&O east – west mainline near Richland Furnace, between RA Junction (just south of Chillicothe where the Jackson line connects to the CSX Columbus to Portmouth mainline) and Hamden.

2) Bridge repairs for the bridge at MP 92, also on the former B&O mainline, near RA Junction.

3) Costs for the City's needed track and engineering consultants.

BACKGROUND: US Rail applied for $200,000 for the repairs of the Richland Tunnel in August of this year. Because ORDC had already agreed in May of this year to provide the City of Jackson $324,000 in grant funding, and a loan of $300,000 with very generous terms, and because neither US Rail nor the City could provide matching funds, ORDC Staff put the tunnel repair request on hold until the November meeting. The need for track work as presented in May was to improve the safety of operations, and to facilitate new sand traffic on the line. In regard to the latter situation, Ohio Basic Minerals is committed to expanding an existing operation to process sand just outside of Jackson. Work on the expansion has begun, including the construction of a new spur track from the City of Jackson AluChem lead track to the expanding plant. The rail spur will cost about $500,000 and is being paid for by OBM.

Subsequent meetings of ORDC Staff with Jackson and US Rail officials brought to light more information. The tunnel deterioration appears to be worsening. The railroad reported that components of the portal facades had moved since previous inspections. An engineer hired by the City inspected the tunnel and recommended immediate repairs. Further, the City's engineer reported that the bridge at MP 92 needed to be addressed very soon. Both the bridge and the tunnel are located between the US Rail's only interchange, i.e. with CSX RA Junction, and all the shippers that are now using the Jackson line. The failure of either the tunnel or bridge would result in a stoppage of rail service to all customers.

The City of Jackson and Jackson County are investigating other sources of funding such as Community Development Block Grant funds to get more needed repair work done on the Jackson line. However, the lead time needed to obtain such funding precludes action on the tunnel and bridge this year as is recommended by the City's engineer. The City and US Rail requested that ORDC allow the City to revise the scope of work for

the ORDC grant and loan funding so that the tunnel and bridge could be repaired as soon as possible. The City has asked its consulting engineer, and another consultant it has retained to oversee track work on the Jackson line, to develop a scope of work as soon as possible for tunnel, bridge, and track repair. In addition, the City has requested that it be allowed to use the ORDC loan funds to reimburse costs for the consulting work it is hiring out and paying for with scarce City funds.

PROJECT DESCRIPTION:

Tunnel Repairs: The Richland Tunnel is 207 ft. long. The tunnel itself is through sandstone and is in good condition. The tunnel portals, however, are starting to fail. Failure of the portals would result in a landslide which would block the tunnel. The portals are a "timber bin wall" construction and were built about 75 years ago. The timbers form arches at either end of the sandstone structure as well as retaining walls. Pictures of the tunnel portals are included herein as Exhibit "B". The west portal is beginning to move outward, a sign that the hillside it holds up is in danger of sliding onto the tracks. Also, cracks in the ceiling of the portal arches need to be closed to prevent penetration of the portals by the hillside. A combination of gunniting and wire mesh would likely be used to resolve this latter problem. The east portal has several timbers that have failed but has not yet started to move. While the east portal is expected to be an issue in the future, the immediate concern is the west portal. An engineering firm hired by US Rail reports the west portal should be addressed soon. The City's engineer concurs and calls the situation and emergency. Immediate repairs for the Richland Tunnel include the rebuilding of the retaining walls of the west end of the tunnel and plugging holes in the west end portal arch. Some preventative maintenance work on the eastern portal could also be included. The work would be done by a competitive bid administered by the City with the help of its retained engineering expert. The City's engineer will provide the specific parameters the tunnel repair must meet, but leave it to the contractors to develop cost effective plans to meet the parameters. It is expected that contractors will propose both timber and concrete block solutions to the problem. The City, in conjunction with US Rail, would select the contractor which provides the lowest and best bid. The City and US Rail would be responsible for inspection and continued maintenance of the tunnel repairs.

Bridge Repairs: The bridge at MP 92 is a concrete box and slab structure. Concrete spalling at both ends and the bottom of the bridge has resulted in poor rankings for the bridge in a recent bridge inspection. Consequently, US Rail has slow ordered operations over the bridge. The City's engineer recommends that the concrete spalling be repaired as soon as possible. The City and US Rail would be responsible for inspection and continued maintenance of the bridge repairs.

Track Repairs: The Scope of Work for track repairs approved by ORDC in May included the replacement of 8,500 ties, the addition of 13,000 tons of ballast for surfacing and lining of the track and related work over two phases. The City's consultant for track work and US Rail are coordinating to reduce the scope of the track work to enable the more urgent tunnel and bridge work to be performed. The City and US Rail would be responsible for inspection and continued maintenance of the track repairs.

Proposed New Scope of Work for ORDC Grant Funding of $324,000: The City proposes that ORDC approve the following scope of work for the ORDC grant funding:

Item One: Repairs to the Richland Tunnel as determined by the City's engineer in consultation with US Rail. The current engineer's estimate for this work is $170,000.

Item Two: Repairs to Bridge # 92 as determined by the City's engineer in consultation with US Rail. The current engineer's estimate for this work is $60,000.

Item Three: Repairs to the Jackson Line track, including the installation of approximately 1,125 ties between RA Junction and Firebrick and other work as determined by the City's track consultant in consultation with US Rail. The current estimate for this work is $90,000.

Proposed New Scope of Work for ORDC Grant Funding of $300,000: The City proposes that ORDC approve the following scope of work for the ORDC loan funding:

Item One: Tie replacement and other work as determined by the City's track consultant in consultation with US Rail including the replacement of up to 1,125 ties on the AluChem branch.

Item Two: Tie replacement and other work as determined by the City's track consultant in consultation with US Rail including the replacement of as many ties as possible on the Jackson mainline between RA Junction and the Firebrick.

Item Three: Reimbursement of costs for the City's retained engineering and track consultants for funds paid by the City.

WHY ORDC FUNDING IS NEEDED: Without ORDC assistance, the project will not get done.

PROJECT BENEFITS

- The viability and safety of the US Rail operations on the Jackson Line will be significantly improved.
- Project track, tunnel, and bridge work will make the Jackson Line more attractive for other rail users and new development.
- If Ohio Basic Mineral (OBM) plans come to fruition as expected, OBM will create from 30 to 45 new jobs and US Rail will create about 7 new jobs to handle the silica traffic. In addition, OBM will likely generate over 1,000 carloads of new rail traffic annually.

STAFF RECOMMENDATION: Staff recommends that Exhibit A of Resolution 08 – 08 be replaced in its entirety with the following:

Exhibit A

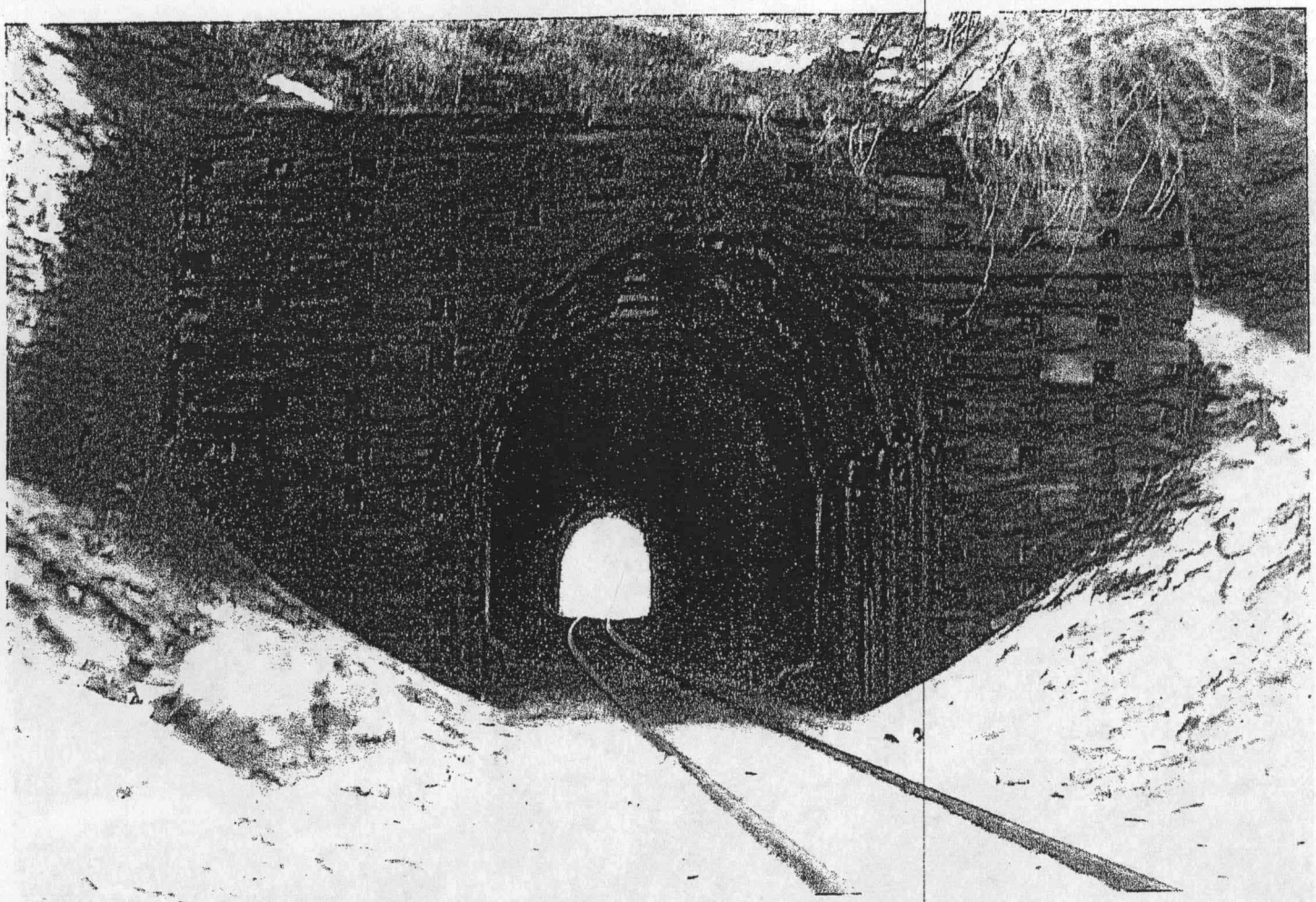
A grant to the City pursuant to Section 4981.032 of the Ohio Revised Code in the amount of up to Three Hundred & Twenty Four Thousand Dollars ($324,000)(the "ORDC Grant") and a loan in an amount of up to Three Hundred Thousand Dollars ($300,000)(the "ORDC Loan") to construct a Rail Service Project as described herein.

The ORDC Grant shall be used for the needed repairs to the Richland Tunnel, needed repairs for Bridge # 92, and for needed track work on the City of Jackson Line including the installation of ties and related work. The final scope of work to be performed with the ORDC Grant shall be at the discretion of the Executive Director of ORDC.

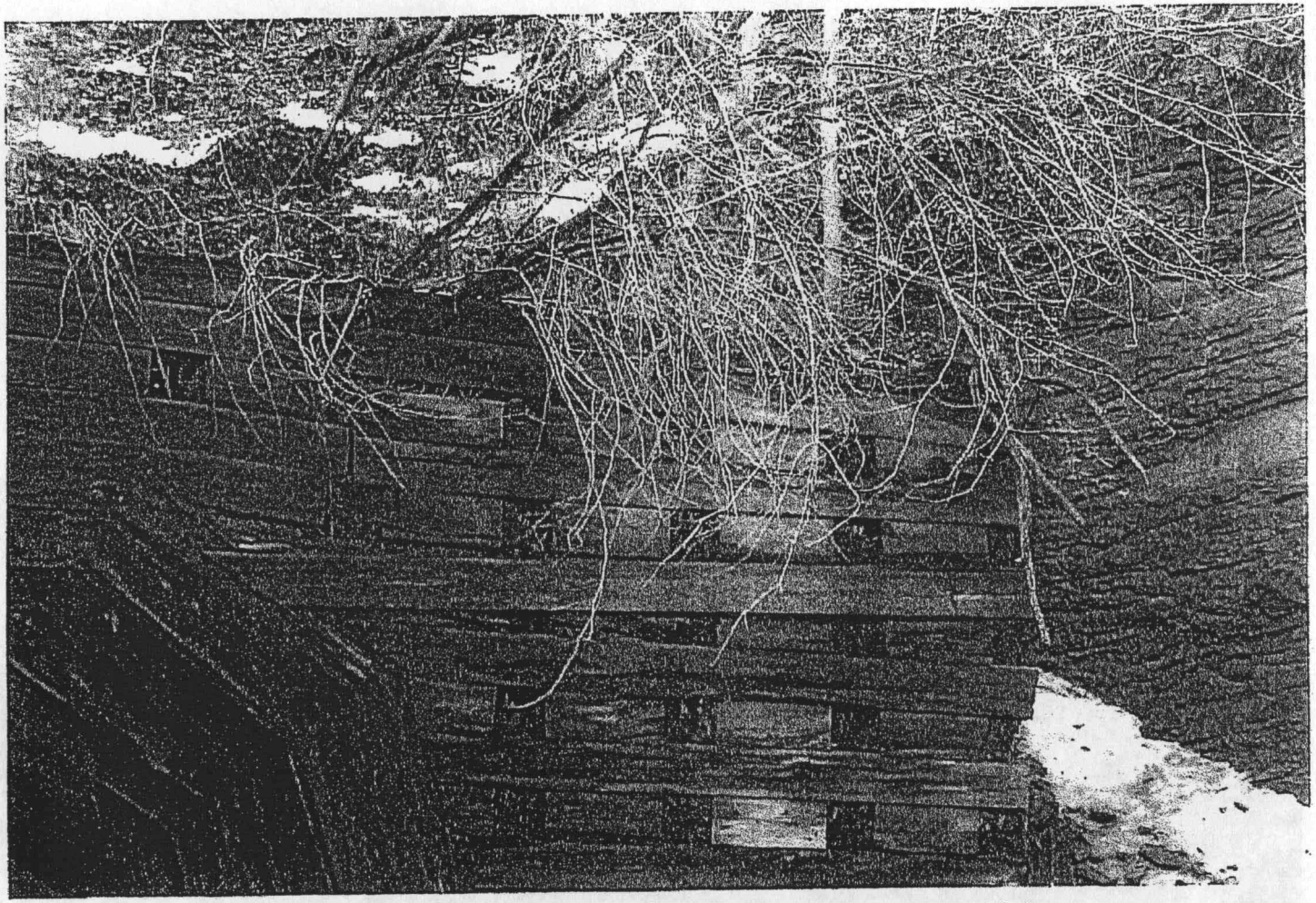
The terms of the ORDC Loan shall be determined by the Executive Director of ORDC. The ORDC Loan shall be used for tie replacement and related track work on the AluChem Lead Track, for track work on other portions of the City of Jackson line, and to reimburse the City for funds that it has expended on engineering and track consulting. The final scope of work to be performed with the ORDC Loan shall be at the discretion of the Executive Director of ORDC.

The ORDC Grant and Loan are subject to the following conditions:

1. *The City must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending the ORDC Grant and ORDC Loan.*
2. *The City shall execute and obtain such documents as are deemed necessary by the ORDC to evidence, close, and secure the ORDC Loan.*

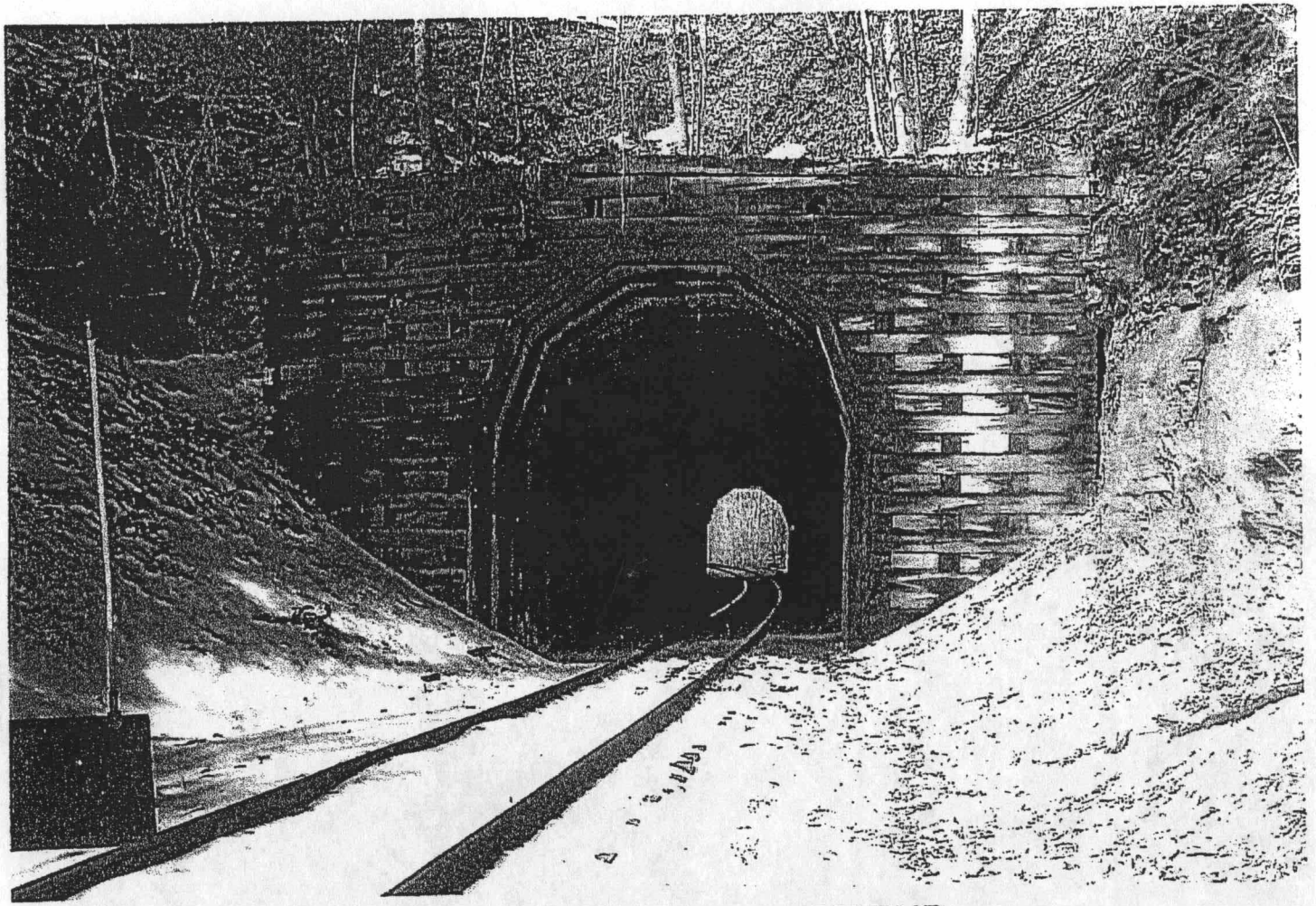


RICHLAND TUNNEL WEST END



WEST END SOUTH SIDE RETAINING WALL

RETAINING WALL FAILURE
(WEST)



RICHLAND TUNNEL EAST END

EAST END POSTS AND ARCH RIBS

EAST END POSTS AND ARCH RIBS

PROJECT BRIEFING
CITY OF JACKSON/US RAIL LINE REHABILITATION
April 29, 2008

Project Costs		Project Benefits
* ORDC Grant UpTo	$350,000	* Improves Safety
* ORDC Loan	$300,000	* Facilitates New Traffic

INTRODUCTION: The City of Jackson, owner of the Chillicothe – Hamden – Jackson – Oak Hill rail line in Ross, Vinton, and Jackson Counties, in cooperation with US Rail Corporation, the City's short line operator, requests a grant of up to $350,000 and a loan of $300,000 for the rehabilitation of the Jackson line from Jackson to RA Junction (near Chillicothe). Rail work includes a portion of the 8,500 ties and 13,000 tons of ballast (for lining and surfacing track) and related work that is needed for two phases of rehabilitation work. The loan would be repaid by the City based on the number of carloads generated along the line in any given year. Staff requests that Commissioners empower the Executive Director to determine the final terms of the loan.

BACKGROUND

Brief Recent History: The City of Jackson acquired the approximately 60 miles of the "Jackson Line" in two transactions in 1987 and 1990. (The 1990 acquisition included only the segment from Hamden to Austin Powder.) The Jackson Line includes: 1) the portion of the former CSX "B&O" Washington to St. Louis mainline from near Zaleski (Austin Powder Company) at MP 136.8 to West Junction at MP 112.4; 2) the portion of the former CSX "B&O" West Junction to Dayton branch between West Junction MP 95.5 and Richmondale, MP 91.6; and 3) the portion of the former CSX "B&O" branch from Hamden to Portsmouth between Hamden, MP 0.0 and Firebrick just south of Oak Hill at MP 32. A map of the Jackson Line is included as Exhibit "A". A schematic is included as Exhibit "B".

The Indiana & Ohio Railroad (I&O) operated the Jackson Line from 1987 until 1994 when it sold out its interest in the operating rights to the Great Miami & Scioto Railway. In October, 2004, the Great Miami sold its interest in the operations of the Jackson Line to US Rail Corporation. US Rail currently operates the line under a lease agreement with the City of Jackson. This railroad operating lease will run until 2014. US Rail pays a lease cost to the City equivalent to 11% of gross revenues. The City is committed to investing all lease payments in the rail line.

State Investments in the Jackson Line: Between 1986 and 1997, the state (ORDC and ODOT Division of Rail) invested about $3 million in the Jackson Line for the acquisition and various rehabilitation grants including funding to rebuild a B&O branch and portion of a former DT&I line from the center of town out to AluChem, and to build a rail spur to the Refco plant in Jackson. State funds included grants obtained from the Federal Railroad Administration for the acquisition. The State of Ohio retains a 70% contingent interest in the Jackson Line because of this FRA acquisition funding. (If for some reason the line were to be scrapped, the State would be entitled to 70% of the proceeds.) Local shippers and the operating railroad at that time, the I&O, matched State and Federal funds with an investment of about $1.5 million in the acquisition and upgrading of the line.

In 1997, ORDC provided $250,000 in grant funds to match about $1 million in Federal and Ohio Emergency Management Administration funding to repair damage caused by catastrophic flooding. ORDC fronted $1 million of the emergency work and was repaid by OEMA and FEMA.

In 2000, ORDC provided the City of Jackson a $235,250 grant and $160,250 loan to help the City build a 3,000 ft. rail spur into the new American Warehousing cold storage facility.

In 2002, ORDC provided the Great Miami a $126,500 grant and $126,500 loan for repairs of select portions of the Jackson Line. ORDC followed in 2003 with a $45,200 grant to repair wooden trestles.

Through a 2005 grant to US Rail, ORDC provided approximately $40,000 to help with ditching on the line. ORDC also provided US Rail $45,520 in 2005 to help it rehabilitate its Meadow Run Yard for car storage business.

Current US Rail Operations: The only connection for Jackson Line traffic since the City bought the line is with CSX at Vauces Yard near Chillicothe. The east west portion of the line has heavy rail, some of it continuously welded, because it was formerly part of the CSX mainline system. The branch from Wellston to Jackson to Oak Hill/Firebrick, has light rail and presents more operational issues. The 4 mile long branchline out to Aluchem also has light rail.

Revenues and car volumes have been decreasing on the line. In 2004, approximately 1,200 cars were moved while in 2007 this number dropped to about 800. The line recently lost a major auto parts shipper, Meridian Auto Part, and lost a lucrative inbound flour move from another shipper, Pillsbury. Current rail line users include Nock & Sons (refractory materials), Cedar Heights Clay (clay), American Warehousing/Bellisio (cold storage), Jackson Corp. (plastics), Midland Corp. (grain, agricultural products), AluChem (bauxite), Austin Powder (chemicals), JVC Steel (scrap), and Bessie Lumber Products (lumber). Bessie and Austin Powder are currently the biggest rail users. In addition, US Rail stores tank cars at Meadow Run Yard.

There is an industrial park with approximately 200 acres of shovel ready, industrially zoned land along the Jackson line in Jackson as well as 250 acres of industrial land which needs further development between Jackson and Oak Hill. Further, the recently vacated Meridian building, a 265,000 sq. ft. facility built in 1966 is available for redevelopment.

With revenues down, US Rail has invested significantly more per mile in maintenance than it has garnered in revenues per mile.

New Silica Traffic: A new investment partner for a sand quarry along the AluChem spur track near Jackson has presented an opportunity for significant new rail business on the Jackson Line. Ohio Basic Minerals is in the process of designing a $500,000 rail spur so that it can ship silica out by rail. This is part of a potential $6 million expansion which could result in 30 new jobs or more. US Rail projects that Ohio Basic Minerals will be able to generate about 1,000 to 3,000 carloads of traffic annually in the very near future. While the revenues from the silica traffic will be very welcome, handling thousands of heavy hopper cars of silica presents a maintenance issue. Jackson Line track needs to be upgraded to be able to handle the traffic.

Significant Investment Needed to Keep Jackson Line Viable: US Rail states that the Jackson Line needs between 3,000 and 4,000 ties at various points along the line to maintain safe operations. With expected silica traffic, US Rail projects the need for at least 8,500 new ties and other work to keep the line operating effectively. US Rail has proposed a two phase track upgrade plan that would include 8,500 ties, 13,000 tons of ballast, joint tightening, raise, line, and tamping, and related work.

ORDC has been working with US Rail and its predecessors for many years. ORDC Staff has encouraged the operators to develop long term and short term rehabilitation plans. US Rail has developed its long range rehabilitation plans. For track work, long range needs include 15,000 ties, new rail at select locations to replace worn, light rail, more ballast and related work. The current estimate of the cost of this long range work is $3.8 million. Further, there are two tunnels and several bridges along the line that will need some significant work within a few years. US Rail is developing new business on the line (sand, coal, food products) that would

provide a stream of revenue that could be sufficient to obtain a 25 year Federal Railroad Administration Railroad Rehabilitation and Improvement Financing "RRIF" loan.

PROJECT DESCRIPTION: Ultimately, the Jackson Line needs a series of track upgrade projects to handle the expected new traffic. US Rail has a multi-phase plan for line upgrades. The first phase includes the installation of 6,000 ties, along with 8,000 tons of ballast for surfacing and lining and related work. Total costs of this Phase I work will be approximately $664,017. A complete listing of project work is included as Exhibit "C".

US Rail and the City of Jackson will need to follow up this Exhibit C work with another phase of work very soon after new silica traffic commences. A listing of "Phase II" rehabilitation needs is included herein as Exhibit "D". This work is concentrated on the AluChem branchline. Total Phase II costs are $410,686. The total short term work needed on the Jackson Line is the combination of the work laid out in Exhibits C and D with a total cost of $1,074,703.

The up to $350,000 ORDC grant would zero out FY 2008 General Revenue Fund project monies. The final grant amount is contingent upon the amount of funds available. Staff expects about $325,000 to be available for the Jackson project but the total could be lower.

Staff proposes that the $300,000 loan to the City of Jackson be paid back based on the carloading along the line the previous year. Staff has developed a plan for repayment. Under this plan, if carloadings stayed constant at 2007 levels, it would take Jackson 6 years to pay off the ORDC loan. If carloadings increase as Staff and US Rail expect, the loan payback would be much quicker. Staff proposed to the City a 0% interest rate in year one, with an interest rate of 2% in subsequent years.

The City of Jackson would bid out the work to be performed with ORDC grant and loan funds. US Rail would be responsible for ongoing maintenance of the project through its lease agreement with the City.

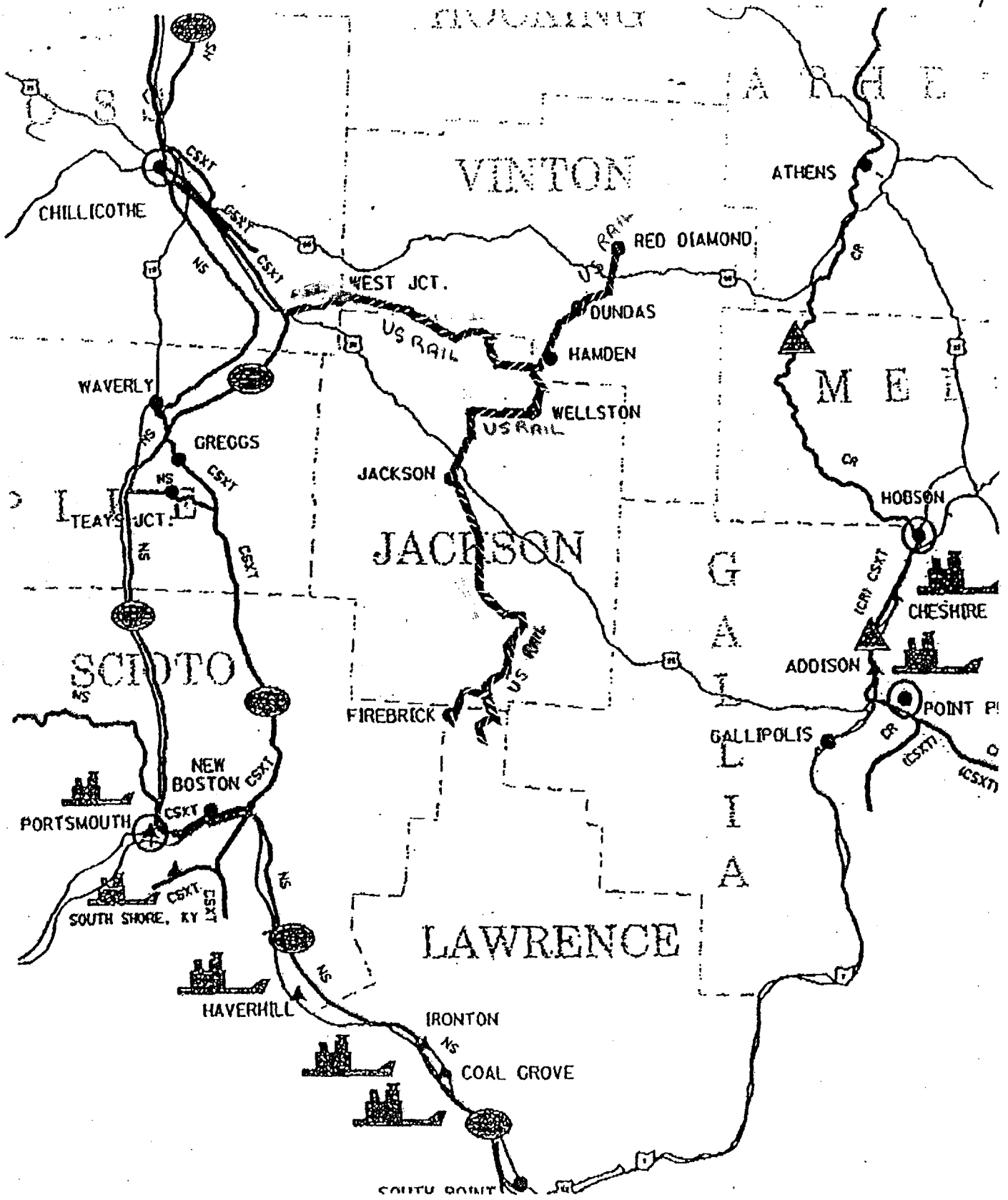
WHY ORDC FUNDING IS NEEDED: Without ORDC assistance, the project will not get done.

PROJECT BENEFITS

- The viability and safety of the US Rail operations on the Jackson Line will be significantly improved.
- Project track work will make the Jackson Line more attractive for other rail users and new development.
- If Ohio Basic Mineral (OBM) plans come to fruition as expected, OBM will create from 30 to 45 new jobs and US Rail will create about 7 new jobs to handle the silica traffic. In addition, OBM will likely generate over 1,000 carloads.

STAFF RECOMMENDATIONS/SPECIAL CONTINGENCIES: Staff recommends proceeding with up to $350,000 in grant funding and a loan of $300,000. The final grant amount would be contingent upon the total available General Revenue Fund project monies. Staff requests that Commissioners empower the Executive Director to make the final determination as to the terms and conditions of the loan. Staff has developed a pay back structure based on annual carloadings. The scope of the project will include work included herein in Exhibits C and D.

"A"



— City of Jackson Owned Rail Line/ US RAIL

"B"

Customer Locater Map

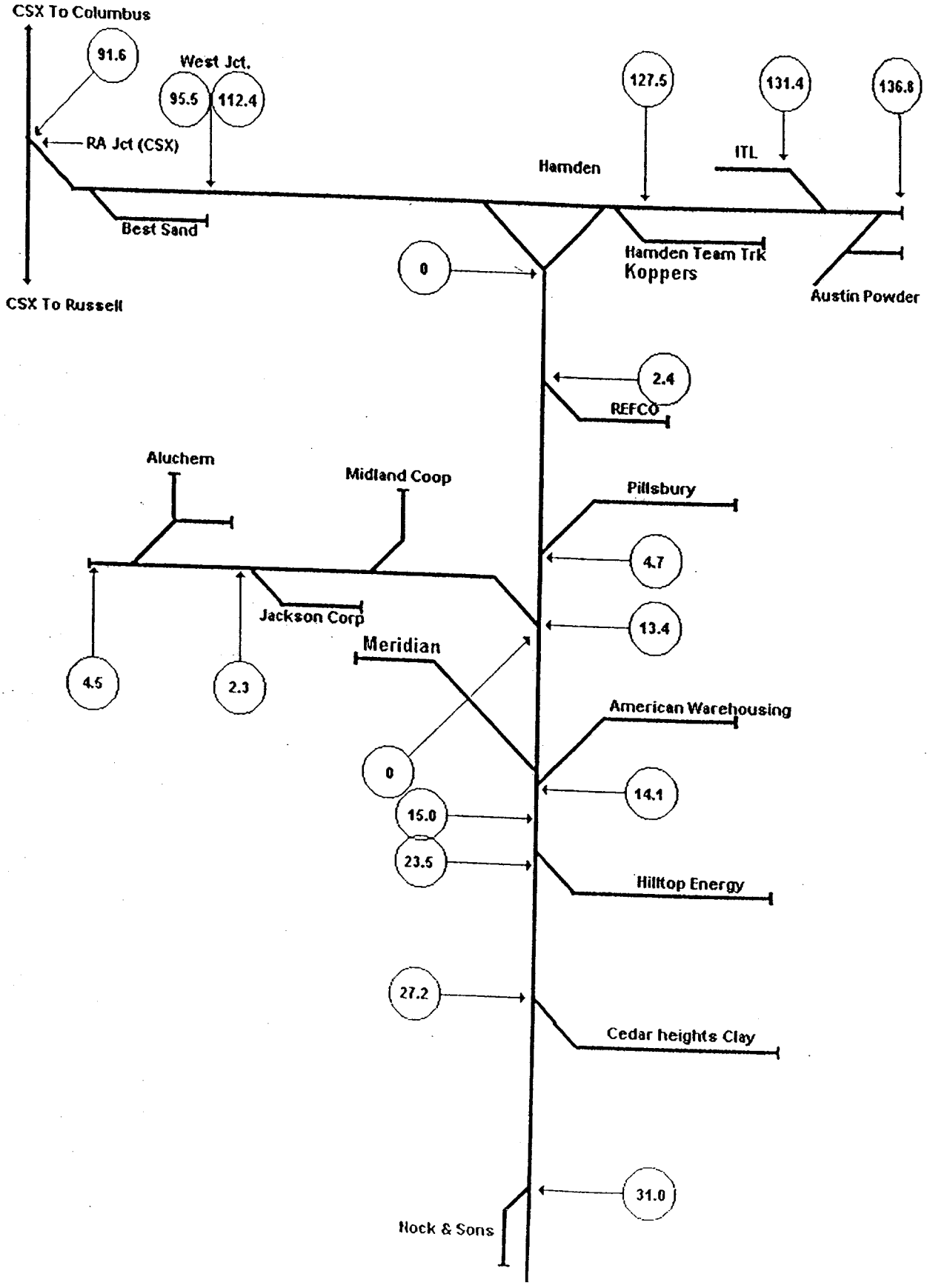


Exhibit A
1 of 2

Construction
Project Nr.08-112

U S RAIL CORPORATION
7846 Central Ave 43617
419.720.7588

Date04/05/08
Cost Estimate

	Phase I - RA Junction to MP 36								
						Labor	Cost		
	Item	Units of Msre	Qty	Unit	Total	Hours	Rate	Total	Line Total
1	Asphalt	Tons							
2	Balllast #4	Tons	8,000	12.00	96,000	640	112	71,680	167,680
3	Bolts & Nuts	kegs	20	229.00	4,580				4,580
5	Buildings	see #2							
6	Comp/Software								
7	Const Fence								
8	Concrete/Load pad								
9	Concrete/roadways								
10	Dump Fees								
11	Engineering								
12	EPA Demo Pmt								
13	Equip Rental								
14	Equip Repair								
15	Equipment/Reg	see #2	1	7,500.00					7,500
16	Erosion Ctrl								
17	Fencing	ft							
18	Fill Dirt	Tons							
19	Fuel for Equip	Gal	3,500	3.75	13,125				13,125
20	Grading								
21	Insurance								
22	Joint Bars	Pr.	500	175.00	87,500				87,500
23	Legal/STB								
24	Legal/Property								
25	Lighting	Est							
26	Lime Stone	Tons							
27	Lodging								
28	Mobilization								
29	New Ties		6,000	42.00	252,000	520	112	58,240	310,240
30	New Ties SW								
31	Other Fees								
32	Per deum								
33	Project Mgr	Hrs							
34	Property Purchase								
35	Rail 132lb	Tons							
36	Relay Ties								
37	Remove Svc								
38	Sec Cameras								
39	Site Work								
40	Spikes	Kegs	202	158.08	31,932				31,932
41	Supervisor					640	49	31,360	31,360
42	Survey								
43	Switch								
44	Switch Mach								
45	Spiker-2 man		1	2,600					2,600
46	Tie Inserter		1	7500					7,500
47	Thermite Weld								
48	Tie Plates								
49	Trucking	Loads							
50	Utility connect fee								
51	Sub Total								
52	10% overhead								
53	Grand total								664,017

Exhibit A
2 of 2

Construction
Project Nr.08-112

U S RAIL CORPORATION
7846 Central Ave 43617
419.720.7588

Date04/05/08
Cost Estimate

Phase I I Aluchem Branch MP- 00 - MP 4.0

	Item	Units of Msre	Qty	Unit	Total	Labor Hours	Cost Rate	Total	Line Total
1	Asphalt	Tons							
2	Balllast #4	Tons	5,000	12.00	60,000	500	112	56,000	116,000
3	Bolts & Nuts	kegs	8	229.00	1,832				1,832
5	Buildings	see #2							
6	Comp/Software								
7	Const Fence								
8	Concrete/Load pad								
9	Concrete/roadways								
10	Dump Fees								
11	Engineering								
12	EPA Demo Pmt								
13	Equip Rental								
14	Equip Repair								
15	Equipment/Reg	see #2	1	7,500.00	7,500				7,500
16	Erosion Ctrl								
17	Fencing	ft							
18	Fill Dirt	Tons							
19	Fuel for Equip	Gal	2,100	3.75	7,875				7,875
20	Grading								
21	Insurance								
22	Joint Bars	Pr.	200	175.00	35,000				35,000
23	Legal/STB								
24	Legal/Property								
25	Lighting	Est							
26	Lime Stone	Tons							
27	Lodging								
28	Mobilization								
29	New Ties		2,500	42.00	105,000	800	112	89,600	194,600
30	New Ties SW								
31	Other Fees								
32	Per deum								
33	Project Mgr	Hrs							
34	Property Purchase								
35	Rail 132lb	Tons							
36	Relay Ties								
37	Remove Svc								
38	Sec Cameras								
39	Site Work								
40	Spikes	Kegs	84	158.08	13,279				13,279
41	Supervisor					500	49	24,500	24,500
42	Survey								
43	Switch								
44	Switch Mach								
45	Spiker-2 man		1	2,600					2,600
46	Tie Inserter		1	7500					7,500
47	Thermite Weld								
48	Tie Plates								
49	Trucking	Loads							
50	Utility connect fee								
51	Sub Total								
52	10% overhead								
53	Grand total								410,686

RESOLUTION 09-14

RE: CITY OF JACKSON RAIL LINE REHABILITATION PROJECT LOAN & GRANT SECOND *AMENDMENT TO RESOLUTION 08-08 AND 08-24*

A RESOLUTION MODIFYING THE ASSISTANCE PROPOSED TO BE PROVIDED TO THE CITY OF JACKSON UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration a second modification of the provision of assistance under the Act to the City of Jackson (the "City"); and

WHEREAS, the ORDC staff has submitted to this ORDC a second modification to a prior request for assistance submitted by the City; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the second modification to the proposed assistance will conform to the requirements of the Act and the terms of the second modification of the proposed assistance; and

WHEREAS, the ORDC has reviewed such proposed modifications and discussed them with the Executive Director and staff of the ORDC; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the City, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the second modification to the assistance proposed to be provided under the Act to assist the City with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed modification of assistance to the City, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Section 3. That the ORDC hereby amends Resolutions 08-08 and 08-24 as set forth in Exhibit A.

Moved By _____
Seconded By_____

Upon roll call, the vote resulted as follows:

Thomas McOwen, Vice-Chair	____	yes	_____	no	_____	absent	_____	abstained	____ recused
_____ for Jolene Molitoris	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Robert Greenlese	____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Murdock for Mark Barbash	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Lozier	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	_____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 5/21/2009

CERTIFICATE

I, the undersigned Vice-Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 5/21/2009
Thomas B. McOwen , Vice-Chair Date

EXHIBIT A

Exhibit A of Resolutions 08–08 and 08-24 shall be replaced in their entirety with the following terms and conditions:

A grant to the City pursuant to Section 4981.032 of the Ohio Revised Code in the amount of up to Three Hundred & Twenty Four Thousand Dollars ($324,000)(the "ORDC Grant") and a loan in an amount of up to Three Hundred Thousand Dollars ($300,000)(the "ORDC Loan") to construct a Rail Service Project as described herein.

The ORDC Grant shall be used for repairs to the Richland Tunnel and for any other expenses deemed appropriate by Executive Director of ORDC.

The ORDC Loan shall be used for the following items: i) the costs (both those already incurred and any future costs) of engineering the Richland Tunnel, of preparation of the tunnel bid documents, of conducting bid meetings for the tunnel for the tunnel work, of performing construction inspections, related engineering costs and up to Fifty Thousand Dollars ($50,000) for tunnel repair work only if the ORDC Grant is insufficient to cover such costs; ii) Engineering costs for bridge work that are determined by the Executive Director of the ORDC to be necessary in either calendar year 2009 or 2010; iii) The costs (both those already incurred and any future costs) of a track inspector/consultant for determining track project scopes of work, putting together bid packages, conducting pre-bid meetings, performing inspections, and other work related to the ORDC Grant and iv) The costs of a track inspector/consultant for determining track project scopes of work, preparation of bid packages, conducting pre-bid meetings, performing inspections, and any other rail related projects that are determined to be necessary by the Executive Director of the ORDC in either calendar year 2009 or 2010. Also the terms of the ORDC Loan shall be set by the Executive Director of the ORDC.

The ORDC Grant and Loan are subject to the following conditions:

1. The City must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending the ORDC Grant and ORDC Loan.

2. The City shall execute and obtain such documents as are deemed necessary by the ORDC to evidence, close, and secure the ORDC Loan.

PROJECT BRIEFING
AMENDMENT TO THE CROSSTIE PROJECT
ON THE COLUMBUS & OHIO RIVER RAILROAD
NEWARK TO MT. VERNON LINE

May 14, 2009

Project Costs		Project Benefits
* ORDC Grant up to	$418,000	* Safety Ties For Continued Operation
* Ohio Central Funds	$200,000	* Helps Rail-Dependent Shippers Employing 205

EXPLANATION OF AMENDMENT:

Background: At the March 12, 2009 Commission Meeting, ORDC Commissioners through Resolution 09 – 09 approved a grant of $350,000 to the Columbus & Ohio River Railroad (CUOH) for the installation of safety cross ties on the 25.9 mile long Newark to Mt. Vernon Line. ORDC Staff recommends that ORDC Commissioners approve an amendment to Resolution 09 – 09 that would increase ORDC funding for this project to up to $418,000 (i.e. up to an additional $68,000 in ORDC funds) and expand the scope of work. CUOH requested that the scope be augmented to include work beyond the installation of ties. The March 4, 2009 briefing for this rehabilitation project is included herein as Exhibit "A".

ORDC Staff has done its final accounting of funds for FY 2009 paying for, or accounting for, any and all administrative and project expenses remaining in this fiscal year which ends on June 30, 2009. From this "sweeping" of the accounts, ORDC will have approximately $67,367 in funds remaining that are available for investing in projects. ORDC staff considered investing in a new project, or augmenting an existing project. Staff chose to augment an existing, ongoing project because $67,367 is a relatively small amount of money to take care of any particular railroad project.

Project Benefits and Selection: Staff selected the CUOH Mt. Vernon Line project for the following reasons:

- The Mt. Vernon Line track condition is a classic example of inherited "deferred maintenance". As a prudent business practice, CSX did not invest much in capital improvements in the Mt. Vernon branch because the carloadings were light and for many years there were reasonable CSX expectations that the line would be divested in the near future. Therefore, when CUOH took over the line in 2004 via a long term lease, track conditions were deplorable.
- The need for cross ties and related work on the Mt. Vernon Line is significant. Using a 2007 estimate of track needs, the Mt. Vernon line needs at least $2 million beyond what is being invested now in upgrading for CUOH to be able to keep the track in good condition with normal maintenance.
- The benefits of getting the line in better shape are significant, with International Paper/Weyerhaeuser and Central Ohio Farmers Cooperative depending on the rail service to support over 200 jobs. Further, the coop needs the rail service to maximize the income of the farm community in the area by ensuring the best possible transportation logistics for Co-op members.
- The private sector has invested in the Mt. Vernon Line and the rail service. Central Ohio Farmers Cooperative invested approximately $500,000 to upgrade the speed of its rail loading facilities while the CUOH has invested in significant line improvements despite the marginal profitability of the line.

Changes to Original Project Briefing and Resolution: The changes Staff proposes to the project briefing of March 4, 2009 and Resolution 09 – 09 are: 1) ORDC's grant contribution increases from $350,000 to up to $418,000; and 2) the project scope changes to the installation of up to 8,240 ties and related work including adding ballast, tamping, surfacing, and lining". The total project would be up to $618,000 with up to $418,000 coming from ORDC FY 2009 grant funds, and $200,000 coming from CUOH.

PROJECT BRIEFING
AMENDMENT TO THE CROSSTIE PROJECT
ON THE COLUMBUS & OHIO RIVER RAILROAD
NEWARK TO MT. VERNON LINE

May 13, 2009

Project Costs		Project Benefits
* ORDC Grant up to	$418,000	* Safety Ties For Continued Operation
* Ohio Central Funds	$200,000	* Helps Rail-Dependent Shippers Employing 205

EXPLANATION OF AMENDMENT:

Background: At the March 12, 2009 Commission Meeting, ORDC Commissioners through Resolution 09 – 09 approved a grant of $350,000 to the Columbus & Ohio River Railroad (CUOH) for the installation of safety cross ties on the 25.9 mile long Newark to Mt. Vernon Line. ORDC Staff recommends that ORDC Commissioners approve an amendment to Resolution 09 – 09 that would increase ORDC funding for this project to up to $418,000 and increase the work performed to up to 8,240 ties installed. The March 4, 2009 briefing for this rehabilitation project is included herein as Exhibit "A".

ORDC Staff has done its final accounting of funds for FY 2009 paying for, or accounting for, any and all administrative and project expenses remaining in this fiscal year which ends on June 30, 2009. From this "sweeping" of the accounts, ORDC will have approximately $67,367 in funds remaining that are available for investing in projects. ORDC staff considered investing in a new project, or augmenting an existing project. Staff chose to augment an existing, ongoing project because $67,367 is a relatively small amount of money to take care of any particular railroad project.

Project Benefits and Selection: Staff selected the CUOH Mt. Vernon to Newark project for the following reasons:

- The Mt. Vernon line track condition is a classic example of inherited "deferred maintenance". As a prudent business practice, CSX did not invest much in capital improvements in the Mt. Vernon branch because the carloadings were light and for many years there were reasonable CSX expectations that the line would be divested in the near future. Therefore, when CUOH took over the line in 2004 via a long term lease, track conditions were deplorable.
- The needs for cross ties on the Mt. Vernon Line are significant. Using a 2007 estimate of track needs, the Mt. Vernon line needs at least $2 million in upgrading to be able to keep the track in good condition with normal maintenance.
- The benefits of getting the line in better shape are significant, with International Paper/Weyerhaeuser and Central Ohio Farmers Cooperative depending on the rail service to support over 200 jobs. Further, the coop needs the rail service to maximize the income of the farm community in the area by ensuring the best possible transportation logistics for coop members.
- The private sector has invested in the Mt. Vernon Line and the rail service. Central Ohio Farmers Cooperative invested approximately $500,000 to upgrade the speed of its rail loading facilities while the CUOH has invested in significant line improvements despite the marginal profitability of the line.

Changes to Original Project Briefing and Resolution: The only changes Staff proposes to the project briefing of March 4, 2009 and Resolution 09 – 09 is to change the ORDC grant contribution from $350,000 to *"up to $418,000"* and to change the project scope to the installation of *"up to 8,240 ties and related work"*. At an estimated cost of $75 per tie installed, the total project would be up to $618,000 with up to $418,000 coming from ORDC FY 2009 grant funds, and $200,000 coming from CUOH.

PROJECT BRIEFING
TIE WORK ON COLUMBUS & OHIO RIVER RAILROAD
NEWARK TO MT. VERNON LINE

March 4, 2009

Project Costs		Project Benefits
* ORDC Grant	$350,000	* Safety Ties For Continued Operation
* Ohio Central Funds	$200,000	* Helps Rail-Dependent Shippers Employing 205

INTRODUCTION: The Columbus & Ohio River Railroad (CUOH) requests a grant of $350,000 to purchase and install approximately7,333 cross ties which are needed to conduct safety tie work this year on its 25.9 mile long Newark to Mt. Vernon rail line. CUOH would contribute $200,000 toward the project.

BACKGROUND

Line Description: CUOH leases the Newark to Mt. Vernon Line from CSX. It took over operations on this line in October, 2004 in conjunction with its lease of the CSX line from Newark to Cambridge, and its acquisition of the 50% share which CSX had owned in the Columbus to Newark line. (For all intents and purposes, the State or Ohio/Ohio Rail Development Commission is the owner of the other 50% of this Columbus to Newark line which is part of the so-called "Panhandle" line.) A map of the Ohio Central lines in eastern Ohio, including the Panhandle line, is included herein as Exhibit "A".

While the Mt. Vernon line itself connects only to the CUOH Yard in Newark, the Ohio Central System in eastern Ohio, including its operations on the Panhandle, allows traffic coming to or from the Mt. Vernon line to be handled through a variety of Ohio Central interchanges with Norfolk Southern, CSX, RJ Corman, and the Wheeling & Lake Erie Railway.

The Mt. Vernon line is 25.9 miles long, with MP 0.0 at Newark Yard and MP 25.9 at the end of the line in Mt. Vernon. The rail on the line is almost entirely 100 lb. and was installed in the late 1920's and late 1940's. About 5 miles of the rail is welded. The rails are in safe and acceptable condition as are the bridges. The last major tie program on the Mt. Vernon Line before CUOH took over operations occurred in 1982.

Because the line parallels State Route 13 for a long distance, there are 31 private crossings, many of which are driveways into homes, businesses, and new developments. Many private crossings also need to be upgraded for both track and road conditions. Overall, track is generally in "Excepted" to FRA Class I condition with train speeds below 10 MPH.

Operations: The rail users that were on the line in 2004 when CUOH took over operations were International Paper/Weyerhaeuser (paper rolls, pulp) which is located about MP 23 in Mt. Vernon, and Central Ohio Farmers Cooperative (grain and fertilizer) located at about MP 25, also in Mt. Vernon. These two companies remain as the major line users. Recently, however, CUOH has garnered two new customers on the line, B&B Farm Services and Mauser Corporation. B&B is located in Fredericktown and is served by a CUOH transload for fertilizer in Mt. Vernon. Mauser is a Mt. Vernon company that produces plastic containers. Over the last three years, the Mt. Vernon line has averaged 1,869 carloads of freight a year. CUOH serves Mt. Vernon 3 times weekly.

Viability: Currently, CUOH operations over the Mt. Vernon line are at about break even, with CUOH showing small losses for 2006 and 2007 but a small profit for 2008. CUOH maintenance and track investment in the line far exceeds the profits generated on the line. The current major rail users have increased rail traffic (International Paper/Weyerhaeuser) and invested in rail loading equipment (a $500,000 investment by Central Ohio Farmers in 2007). Further, the line serves a developed industrial park, as well as several other industrial sites, in Mt. Vernon.

Recent Projects: In 2007, ORDC conducted a safety tie project with the CUOH. ORDC provided $200,000 in grant funds to buy 6,000 cross ties and 126 switch timbers. CUOH matched this ORDC grant with the labor and materials needed to install the ties and switch timber, a value of over $207,000.

Also in 2007, the Ohio Department of Development (ODOD) provided $1.7 million in 629 Roadwork Development funding to replace the crossing surfaces in virtually every one of the 48 public crossing along the 25 mile long line. ORDC's Grade Crossing Safety Section administered the crossing project for ODOD.

PROJECT DESCRIPTION

Comprehensive Needs: Years of deferred maintenance by CSX left the line in need of a comprehensive track rehabilitation project (or projects). In 2007, ORDC retained an outside consultant to perform a needs analysis for the line. A breakdown of the ORDC estimate is provided below.

2007 ORDC Estimate of Comprehensive Repair Needs*

Cross Tie Replacement	**31,400 ties**	**$58/tie**	**$1,821,200**
Switch Tie Replacement	**264 ties**	**$135/tie**	**$35,640**
Road Crossing Upgrades (High)	**620 feet**	**$900/ft.**	**$558,000**
Road Crossing Upgrades (Low)	**600 feet**	**$750/ft.**	**$450,000**
Ballast	**21,400 tons**	**$18/ton**	**$385,200**
Surfacing	**25.9 miles**	**$3,100 mi.**	**$80,290**
Bolt Tightening	**5,948 joints**	**$18/joint**	**$107,064**
Ditching	**5 miles**	**$11,880/mi.**	**$59,400**
Total			**$3,496,794**

***Note Costs Reflect 2007 Prices**

The ODOD grade crossing project has taken care of the road crossing issues. The CUOH has done some work in other areas but the economics of the line are not such as to warrant a major track rehabilitation project with railroad funds. CUOH projects that up to 50,000 ties, or two-thirds of ties on the line, should be replaced in the upcoming years instead of the ORDC recommendation of 31,400. The 2007 and proposed 2009 tie projects would reduce overall tie needs on the line by about 14,000 ties.

Immediate Needs: CUOH officials project derailments and other operational problems will start occurring if current tie conditions on the Mt. Vernon line are not addressed immediately. ORDC Staff believes that the approximately 7,333 ties called for in the proposed rehabilitation project should help continue safe operations on the Mt. Vernon Line in the short term but recognizes that more tie and surface work is needed every year to make a significant progress in the backlog of needed track repairs.

CUOH estimates that it can purchase and install new, grade, 7" X 9" cross ties for $75 apiece. Therefore, the cost of 7,333 cross ties would be:

7,333 Cross Ties X $75/tie = $549,975

The installation of ties will be fairly evenly distributed across the entire line to help support rail joints, keep proper gage, support heavy loads, and prevent derailments. CUOH has not yet decided if it will perform the work with its labor and equipment or seek competitive bids from contractors. CUOH will be responsible for continued maintenance of the tie project and will continue to upgrade the line with its forces as funding permits.

ORDC Staff recognizes that the proposed project does not meet all of the needs of the Mt. Vernon Line. Staff expects that CUOH will request funding assistance for the line in future years.

WHY ORDC FUNDING IS NEEDED

The revenues on the line do not support major investment in the track by the CUOH.

PROJECT BENEFITS

- Current rail users employing approximately 205 are dependent on rail for their future viability.
- The safety of the OCRR operations will be markedly improved because of the new cross tie installation.

OTHER CONTRIBUTIONS

- The OCRR will contribute $200,000 toward the project.
- The Central Ohio Farmers Cooperative has invested approximately $500,000 to increase the speed of its rail loading at Mt. Vernon.

MT. VERNON LINE
OTHER OCRR/C&ORR LINES
N
TUSCARAWAS
COSHOCTON
HOLMES
MUSKINGUM
KNOX
LICKING
MORROW
DELAWARE
FAIRFIELD
OCRR
C&ORR
CUOH
CSXT
NS
Millersburg
Mt. Vernon
Newark
Zanesville
Cambridge
Coshocton
Dover
Sugarcreek
Strasburg
Port Washington
Newcomerstown
Cumberland
Pleasant City
Byesville
Senecaville
Belle Valley
Caldwell
Nashville
Glenmont
Killbuck
Millersburg
Walnut Creek
Baltic
Stone Creek
Tuscarawas
Conesville
Frazeysburg
Dresden
Adamsville
New Concord
Norwich
Philo
Roseville
Crooksville
S. Zanesville
Fultonham
Gratiot
Hanover
Heath
Glenford
Somerset
Thornville
Hebron
Buckeye Lake
Millersport
Thurston
Pleasantville
West Rushville
Baltimore
Carroll
Lithopolis
Canal Winchester
Groveport
Lockbourne
Obetz
Whitehall
Reynoldsburg
Pickerington
Violet
Kirkersville
Pataskala
Gahanna
Westerville
New Albany
Johnstown
Alexandria
Granville
St. Louisville
Utica
Martinsburg
Danville
Gambier
Mount Vernon
Fredericktown
Centerburg
Sparta
Chesterville
Marengo
Sunbury
Galena
Hartford
Mt Gilead
Edison
Cardington
Fulton
Ashley
Delaware
Powell
Worthington
Columbus
Upper Arlington
Waldo
Caledonia
Marion
Loudonville
Beltville
Butler
Bellville
Lexington
Ontario
Plymouth
Shelby
Mansfield
Ashland
Wooster
Orrville
Barnhill
Zoar
Barnhill
Sherrodsville
Malvern
Carrollton
Minerva
Dellroy
Sherrodsville
Uhrichsville
Dennison
Cadiz
Scio
Bowerston
Conotton
Hopedale
Cadiz
Harrisville
Cameron
Moundsville
Wheeling
Bridgeport
Clarksburg
Fairmont
Morgantown
Weston
Buckhannon
Elkins
Parsons
Davis
Thomas
Canaan
Valley
Grafton
Philippi
Belington
Beverly
Huttonsville
Mill Creek
Durbin
Cass
Bartow
Green Bank
Hillsboro
Marlinton
Frankford
Ronceverte
Lewisburg
Alderson
Hinton
Talcott
Pipestem
Princeton
Bluefield
Bramwell
Welch
Gary
Iaeger
Matewan
Williamson
Kermit
Wayne
Ceredo
Kenova
Huntington
Barboursville
Milton
Hurricane
Teays
Scott Depot
Winfield
Nitro
St. Albans
Dunbar
South Charleston
Charleston
Kanawha City
Cross Lanes
Gauley Bridge
Fayetteville
Oak Hill
Mount Hope
Beckley
Glen Jean
Rainelle
Meadow Bridge
Rupert
Quinwood
Smoot
Lewisburg
White Sulphur Springs
Ronceverte
Hinton
Talcott
Pipestem
Princeton
Bluefield
Bramwell
Welch
Gary
Iaeger
Matewan
Williamson
Kermit
Wayne
Ceredo
Kenova
Huntington
Barboursville
Milton
Hurricane
Teays
Scott Depot
Winfield
Nitro
St. Albans
Dunbar
South Charleston
Charleston
Kanawha City
Cross Lanes
Gauley Bridge
Fayetteville
Oak Hill
Mount Hope
Beckley
Glen Jean
Rainelle
Meadow Bridge
Rupert
Quinwood
Smoot

RESOLUTION 09-15

RE: COLUMBUS & OHIO RIVER RAILROAD NEWARK TO MT. VERNON LINE REHABILITATION GRANT AMENDMENT TO RESOLUTION 09-09

A RESOLUTION MODIFYING THE ASSISTANCE PROPOSED TO BE PROVIDED TO THE COLUMBUS & OHIO RIVER RAILROAD UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the modification of the provision of assistance under the Act to the Columbus & Ohio River Railroad (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC a modification to a prior Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the modification to the proposed assistance will conform to the requirements of the Act and the terms of the modification of the proposed assistance; and

WHEREAS, the ORDC has reviewed such proposed modifications and discussed them with the Executive Director and staff of the ORDC; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the modification of the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the modification to the assistance proposed to be provided under the Act to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed modification of assistance to the Company, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Section 3. That the ORDC hereby amends Resolution 09-09 as set forth in Exhibit A.

Moved By _____
Seconded By_____

Upon roll call, the vote resulted as follows:

Thomas McOwen, Vice-Chair	____	yes	_____	no	_____	absent	____	abstained	____ recused
_____ for Jolene Molitoris	____	yes	_____	no	_____	absent	____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	____	abstained	____ recused
Robert Greenlese	____	yes	_____	no	_____	absent	____	abstained	____ recused
William Murdock for Mark Barbash	____	yes	_____	no	_____	absent	____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	____	abstained	____ recused
William Lozier	____	yes	_____	no	_____	absent	____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 5/21/2009

CERTIFICATE

I, the undersigned Vice-Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 5/21/2009
Thomas B. McOwen , Vice-Chair Date

EXHIBIT A

The modifications to the Request for Assistance are as follows:

1. The ORDC Grant shall be increased from Three Hundred Fifty Thousand Dollars ($350,000) to up to Four Hundred Eighteen Thousand Dollars ($418,000) and the Rail Service Project shall be modified from purchasing and installing up to 7,333 cross ties to the purchase and installation of up to 8,240 cross ties and related work.

2. All other terms, covenants and conditions specified in Resolution 09-09 shall remain in full force and effect.